Office of the Special Project Facilitator's

Lessons Learned

**Ulaanbaatar Urban Services and Ger Areas
Development Investment Program, Tranche 1**

ADB

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Development Investment Program, Tranche 1**

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ISBN 978-92-9262-389-0 (print); 978-92-9262-390-6 (electronic); 978-92-9262-391-3 (ebook)
Publication Stock No. ARM200239-2
DOI: <http://dx.doi.org/10.22617/ARM200239-2>

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Notes:

In this publication, “\$” refers to United States dollars, “€” refers to euro, and “MNT” refers to Mongolian togrog.

On the cover: A project-affected household’s *ger* in the Selbe subcenter. All photos by OSPF.

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Acknowledgments

The Office of the Special Project Facilitator's (OSPF) *Lessons Learned* series featuring Mongolia's Ulaanbaatar Urban Services and Ger Areas Development Investment Program – Tranche 1 is a collaborative effort led by Sushma Kotagiri, principal facilitation specialist, OSPF and Viswanathan Ramasubramanian, senior safeguards specialist (resettlement), East Asia Department (EARD). Francesca Marzatico, OSPF consultant, contributed to the preliminary research and writing. The case study greatly benefited from the contributions, comments, discussions, and support of various professionals—Avirmed Dangaa, project director; Boloroo Nyamdorj, Bolormaa Gochoosuren, Davaasuren Terbish, and Munkh-Orgil Zorigoo of the Program Management Office of the Ulaanbaatar Urban Services and Ger Areas Development Investment Program; Arnaud Heckmann, principal urban development specialist, Mongolia Resident Mission (MNRM); Mailene Radstake, principal social development specialist (safeguards), EARD; Chinzorig Batbileg, consultant, EARD; Nandia Batsaikhan, OSPF consultant; Mary Jane David, senior consultation officer, OSPF (content and structure); Wilfredo Agliam, associate facilitation coordinator, OSPF (administration and coordination with all the participating agencies and stakeholders); Joy Gatmaytan (editor); and Michelle Ortiz (design and layout).

The team greatly appreciates the advice and guidance received from Warren Evans, special project facilitator, OSPF; James Patrick Lynch, director general, EARD; M. Teresa Kho, deputy director general, EARD; Yolanda Fernandez Lommen, former country director; and Pavit Ramachandran, country director, MNRM, during the analytical work and publication process.

Abbreviations

ADB	-	Asian Development Bank
AP	-	affected person
CDC	-	community development committee
EA/IA	-	executing agency and implementing agency
EARD	-	East Asia Regional Department
EIB	-	European Investment Bank
GAF	-	Grievance Action Form
GRM	-	grievance redress mechanism
GRO	-	grievance redress officer
LAR	-	land acquisition and resettlement
LARWG	-	Land Acquisition and Resettlement Working Group
LMA	-	Land Management Agency
MOU	-	memorandum of understanding
MUB	-	Municipality of Ulaanbaatar
OSPF	-	Office of the Special Project Facilitator
OSS	-	One-Stop Shop
PFT	-	project task force
PMO	-	Program Management Office
SPS	-	Safeguard Policy Statement
UUSGADIP	-	Ulaanbaatar Urban Services and Ger Areas Development Investment Program

I. Background

Ulaanbaatar Urban Services and Ger Areas Development Investment Program

Ger areas¹ are peri-urban low-density temporary settlements that extend around the city core of Ulaanbaatar. They are characterized by unplanned settlement of low- and medium-income households with land ownership, unserviced plots, unpaved roads, and poor facilities. The population is estimated at 840,000, representing 60% of Ulaanbaatar's population of 1.4 million or 30% of the country's population. Under the current situation, the forecasted population increase in *ger* areas is a serious threat to the city environment and health of the population if the situation is not improved.

A complainant's *ger* in the Selbe subcenter that was impacted by the land acquisition and resettlement under the Ulaanbaatar Urban Services and Ger Areas Development Investment Program.

¹ *Ger* is a portable, round tent covered with skins of felt and used as a dwelling by several distinct nomadic groups in the steppes of Central Asia. The structure comprises an angled assembly or latticework of pieces of wood or bamboo for walls; a door frame; ribs (poles, ratters); and a wheel (crown, compression ring) possibly steam-bent. *Ger* area or district is a form of residential district in Mongolian settlements. It usually consists of parcels with one or more detached houses or *gers* (hence, the name), surrounded by 2-meter high wooden fences. In other countries, *gers* are known as yurts.

Since 2010, the Asian Development Bank (ADB) has been working extensively with the Government of Mongolia and the Municipality of Ulaanbaatar (MUB) to address the urgent demand for basic urban services, high pollution levels, and poor living conditions in *ger* areas. The collaboration started with the integration of *ger* areas for the first time in the Capital City Master Plan in 2013, which was followed by the formulation and implementation of an investment program to support the redevelopment process of the areas, the Ulaanbaatar Urban Services and Ger Areas Development Investment Program (UUSGADIP).² This investment program, which is cofinanced by the European Investment Bank (EIB), is built on a comprehensive and integrated approach providing main trunk infrastructure, priority socioeconomic facilities, and public space to upgrade six existing subcenters. The upgraded subcenters will provide improved access to social and urban services to benefit 400,000 residents. These will serve as a catalyst for growth by attracting private sector investment to stimulate local businesses and job creation. The impact of the investment program is enhanced by parallel interventions through technical assistance to improve urban planning, optimize the land use system, improve urban data management, support cultural heritage conservation, foster community participation, implement information and communication technology solutions, and improve water and wastewater services operation. It is complemented by a forthcoming operation aiming to transform *ger* areas into low-carbon and climate-resilient eco-districts that will provide green affordable housing solutions to the residents, which is currently a significant challenge in Ulaanbaatar.³

The program. The UUSGADIP, approved on 12 December 2013, comprises three tranches, and with implementation period of 10 years to 31 December 2023.⁴ The total program cost is \$320 million, of which \$163.70 million will be financed by ADB; \$96 million by MUB, which is also the executing and implementing agency (EA/IA); and up to €50 million (\$60.30 million equivalent) parallel cofinancing by EIB for water supply and sanitation subprojects.

The program has four outputs:

- (i) expanded roads and urban services within priority subcenters, and improved connectivity between them;
- (ii) improved economic and public services in targeted areas;
- (iii) more efficient service providers; and
- (iv) strengthened institutions and capacity for urban development, program management, and service delivery.

² ADB. 2013. *Report and Recommendation of the President to the Board of Directors: Proposed Multitranchise Financing Facility for Mongolia for Ulaanbaatar Urban Services and Ger Areas Development Investment Program*. Manila.

³ ADB. 2018. *Report and Recommendation of the President to the Board of Directors: Proposed Ulaanbaatar Green Affordable Housing and Resilient Urban Renewal Sector Project*. Manila.

⁴ ADB. Mongolia: Ulaanbaatar Urban Services and Ger Areas Development Investment Program. <https://www.adb.org/projects/45007-003/main>.

The impact of the program is improved living conditions. The outcome is a network of livable, competitive, and inclusive subcenters in the *ger* areas. The road map of the program will support the Ulaanbaatar city master plan in establishing a network of well-developed subcenters to provide jobs, housing, and economic opportunities with reduced soil and air pollution. It aims to initiate a redevelopment process in these areas and proposes an integrated solution, responding to MUB's sector policy framework to develop urban subcenters as catalysts for growth in the *ger* areas (see project map).

The project. On 17 December 2013, the first tranche (project) of the investment program was approved.⁵ Project 1 implementation was to start in December 2013 and completed by December 2017. It would support implementation of a city master plan to develop Selbe and Bayankhoshuu subcenters by:

- (i) extending the sewerage network from the city core: collector main (6.1 kilometers [km]) and sewer pipes (2.9 km);
- (ii) developing priority roads (15 km), water supply network (18.6 km), sewerage network (20 km), district heating network (21 km), and five heating facilities using most suitable state-of-the-art environmentally friendly technologies within subcenters;
- (iii) constructing social and economic facilities, i.e., two kindergartens, green areas, and small squares; and

- two business incubators, associated with two vocational training centers;
- (iv) improving Ulaanbaatar Water Supply and Sewerage Authority operations and service delivery efficiency of water supply and wastewater collection; and
- (v) providing institutional and capacity development to
 - a. prepare detailed design and construction supervision;
 - b. support community participation, awareness, and small and medium-sized enterprises development;
 - c. improve subcenter redevelopment;
 - d. strengthen Program Management Office (PMO) capacity; and
 - e. support service provider reforms.

The road map of the program will support the Ulaanbaatar city master plan in establishing a network of well-developed subcenters to provide jobs, housing, and economic opportunities with reduced soil and air pollution.

⁵ ADB. Mongolia: Ulaanbaatar Urban Services and Ger Areas Development Investment Program – Tranche 1. <https://www.adb.org/projects/45007-004/main>.

UULAANBAATAR URBAN SERVICES AND GER AREAS DEVELOPMENT INVESTMENT PROGRAM MONGOLIA

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Ulaanbaatar Urban Services and Ger Areas Development Investment Program Implementation Arrangement

The MUB is the EA/IA of the program, responsible for oversight and administration. The vice-mayor in charge of the Urban Development and Investment Office of MUB is responsible for coordination and implementation of the UUSGADIP (Figure 1).

Figure 1: Program Implementation Arrangement, 2013

MUB = Municipality of Ulaanbaatar, PIU = project implementing unit, USUG = Ulaanbaatar Water Supply and Sewerage Authority.

Note: USUG is a sub-implementing agency only for project 1.

Source: Asian Development Bank; PMO, Ulaanbaatar Urban Services and Ger Areas Development Investment Program.

By order of the MUB mayor, PMO was established in July 2014 with the vice-mayor as director. It is responsible for program implementation and management including finance and administration, technical and procurement matters, monitoring and evaluation, and safeguards compliance. It also ensures compliance with assurances, safeguards and preparation, and finalization and implementation of the resettlement plans.

The Program Steering Committee oversees the progress of the investment program. It is chaired by the MUB mayor and is comprised of representatives from the ministries of economic development, finance, construction and urban development, labor, education, and other concerned agencies, as needed. Meeting at least once every 6 months until program completion, the committee provides strategic guidance on program implementation.

The Selbe subcenter is one of the two subcenters that will be developed under the first tranche of the investment program.

Land Acquisition and Resettlement Impacts

Prior to ADB's approval of the program in August 2013, a draft resettlement plan was prepared by MUB based on the preliminary project designs. At the feasibility stage, the road networks and water and sewage infrastructure were proposed to be constructed within the streets of Selbe and Bayankhoshuu subcenters.⁶ The draft resettlement plan estimated that a total of 53 households (289 affected persons [APs]) would be affected by the project components in Selbe, and that the land to be acquired was 2,200 square meters (m²). While for Bayankhoshuu, it was estimated that 22 entities (19 households, 2 institutions) totaling 90 APs would be impacted, and the land to be acquired was 1,600 m². During the detailed design phase, MUB decided to apply higher road standard to the project to upscale

investment in the subcenters and to make sure that they are very attractive and that they apply the same standard as that in the city centers. The revised plan impacted the scope of the project resulting in changes to the project design, specifically in the road widths and thereby significantly increasing the number of APs. The final project technical design expanded the right of way of the roads (from 6 meters in the feasibility stage to 12-20 meters) thus, increasing the number of affected households. The changes were reflected in the 2018 resettlement plan for Selbe roads and infrastructure that estimated a total of 483 entities (468 households and 15 businesses) to be affected totaling to 1,802 APs.⁷ Similarly, the 2018 resettlement plan for Bayankhoshuu estimated that a total of 519 entities (505 households and 14 businesses) totaling to 1,872 APs would be affected.⁸ These brought the total number of APs in both subcenters to 3,674, almost 10 times more than the 379 APs estimated during the project design stage.

The revised plan impacted the scope of the project resulting in changes to the project design, specifically in the road widths and thereby significantly increasing the number of affected persons.

Table 1: Number of Affected Persons in 2013 versus 2018 Resettlement Plans

	2013	2018
Affected Households		
Bayankhoshuu	19	505
Selbe	53	468
Total	72	973
Affected Entities		
Bayankhoshuu	2	14
Selbe	0	15
Total	2	29
Affected Persons		
Bayankhoshuu	90	1,872
Selbe	289	1,802
Total	379	3,674

Source: Asian Development Bank.

⁶ ADB. 2013. *Report and Recommendation of the President to the Board of Directors: Proposed Multitranchise Financing Facility to Mongolia for the Ulaanbaatar Urban Services and Ger Areas Development Investment Program*. Resettlement Plan: Bayankhoshuu (draft), Resettlement Plan: Selbe (draft). Manila. (accessible from the list of linked documents in Appendix 2). <https://www.adb.org/projects/documents/ulaanbaatar-urban-services-and-ger-areas-development-investment-program-rrp>.

⁷ ADB. 2018. *Ulaanbaatar Urban Services and Ger Areas Development Investment Program (Tranche 1)— Bayankhoshuu Subcenter Roads and Infrastructure Component: Resettlement Plan*. Manila. ADB. 2018. *Ulaanbaatar Urban Services and Ger Areas Development Investment Program - Tranche 1: Selbe Subcenter Roads and Infrastructure Component Resettlement Plan*. Manila.

⁸ ADB. 2016. *Ulaanbaatar Urban Services and Ger Areas Development Investment Program - Bayankhoshuu Subcenter: Resettlement Plan*. Manila.

II. Case Study Approach

A complainant explaining to the Office of the Special Project Facilitator (OSPF) team how the compensation she received from the government gave her a better life.

The objective of this joint study of the Office of the Special Project Facilitator (OSPF) and the East Asia Regional Department (EARD) is to understand how complaints of APs were handled by the project grievance redress mechanism (GRM) including its strengths, limitations, and challenges. This case study documents the experience and lessons learned in the implementation of GRM in Tranche 1 of the investment program. The measures adopted and the learnings are expected to guide EARD's operations in Mongolia, in resettlement implementation, and in grievances management. The learnings from this analytical work will be used to inform OSPF's capacity-building and training programs targeting ADB operations staff and project stakeholders. These lessons and the recommendations on ways to establish and operate effective project GRMs will also be shared with ADB operations departments, government and private sector clients, and other bilateral and multilateral development partners.

The study entailed analyses of the GRM design and its implementation including but not limited to assessing the:

- knowledge of the APs about the GRM (i.e., if and through which means APs were informed about the GRM);
 - accessibility (i.e., if the GRM was accessible to all stakeholders without discrimination; if its procedures were known by all stakeholders; if the APs were informed of the location of GRM offices; if the GRM staff made themselves available to the APs; and if confidentiality or anonymity was respected);
 - responsiveness (i.e., if wide range of complainants' were addressed);
 - transparency (i.e., if it had a clear procedure with time frame and type of results that could be delivered);
 - adequate human and financial resources (i.e., if there was sufficient number of staff dedicated to the GRM; if their capacity and commitment were enough; and if there were enough financial resources to conduct investigations and to provide for compensation);
 - existence of a recording and tracking system for complaints;
 - communication with complainants (i.e., if complaints were acknowledged in writing and if the complainant was able to contact GRM staff for information and other requests);
 - right to appeal; and
 - existence of a monitoring system to feed back into the project to allow adjustment of activities which generate complaints.
- existence and function of the GRM as part of the project activities;
 - development of the GRM (i.e., if affected communities were consulted; if relevant national laws, international standards, and traditional and/or informal GRM and/or conflict resolution mechanisms were considered; and at which stage of the project cycle management was the GRM developed);

OSPF decided to conduct a study on UUSGADIP's GRM because of the uniqueness of the project. First, this is the first of its kind in Mongolia considering the magnitude of land acquisition and scale of resettlement. Second, there was the lack of provisions in the legal framework to exercise eminent domain for land acquisition and resettlement (LAR) associated with infrastructure projects. And third, the number and type of complaints received were different from those received in other projects.

The case study methodology entailed a combination of primary and secondary research as well as qualitative and quantitative data analyses. The study involved review of existing project-related documents, national legislation, country systems, and OSPF complaint. Field consultations with ADB project staff and other stakeholders to collect primary data on the complaints and the GRM system were

also conducted, including visits to one of the project locations as well as to the One-Stop Shop (OSS) service in Ulaanbaatar. Stakeholders included APs, especially those who used the GRM and those who lodged a complaint with OSPF; officials in relevant agencies at MUB; nongovernment organization (NGO) representatives; consultants implementing the livelihood restoration program;⁹ construction contractors; and PMO and ADB project staff and consultant for involuntary resettlement. Semi-structured interviews, meetings, and focus group discussions were used to obtain data and information from the key stakeholders. Apart from ascertaining if project information was well disseminated and consultation was meaningful at all stages of project preparation and implementation, attention was paid to the functioning of the GRM to gauge its effectiveness and responsiveness.

One of the construction sites in the Selbe subcenter.

⁹ ADB. Mongolia: Livelihood Support Demonstration in Ger Areas. <http://www.adb.org/projects/45007-010/main>.

III. Grievance Redress Mechanism

What is an Effective Grievance Redress Mechanism?

A grievance redress mechanism (GRM) is a combination of institutions, instruments, methods, and processes which allow APs to engage with the project authorities if they believe that their needs, concerns, and rights are ignored or violated in any way during the different phases of project implementation. Project authorities have to engage with affected stakeholder groups about the GRM design and performance to ensure that it meets the needs of the APs, that they will use it in practice, and that there is a shared interest in ensuring its success. The underlying idea is that a GRM can only serve its purpose if the people it is intended to serve know about it, trust it, and are able to use it. Hence, a GRM must be known by the stakeholders, should be made accessible to them in both formal and informal channels, and should be free.

A complainant explaining to the OSPF team how the livelihood restoration program under the project taught her how to sew clothes for a living.

The underlying idea is that a GRM can only serve its purpose if the people it is intended to serve know about it, trust it, and are able to use it.

The ADB Safeguard Policy Statement (SPS) 2009 mandates the establishment of GRMs in all ADB-assisted projects for its three safeguards: environment, involuntary resettlement, and indigenous peoples.

ADB requires that the borrower/client establish and maintain a GRM to receive and facilitate resolution of affected peoples' concerns and grievances about the borrower's/client's social and environmental performance at project level. The GRM should be scaled to the risks and impacts of the project. It should address affected people's concerns and complaints promptly, using an understandable and transparent process that is gender responsive, culturally appropriate, and readily accessible to all segments of the affected people.¹⁰

The GRM should allow aggrieved parties to have reasonable access to sources of information and advice without discrimination so that they are able to engage in the grievance process on fair and respectful terms. It must ensure that the aggrieved parties are given all the information they need to make informed decisions. It must be transparent, allowing aggrieved parties to be notified about the progress of the management of their grievances while maintaining confidentiality. It should focus on reaching agreed solutions through dialogues. Where adjudication is needed, this should be provided through a legitimate, independent third-party mechanism.

The APs must be duly informed about the GRM at the early stage of the project cycle and records of complaints must be carefully kept. The GRM should not

impede the access to the country's judicial or administrative system at any time during project implementation. The time frame and procedure for the resolution of complaints must be clearly indicated and communicated to APs and other relevant stakeholders. The duration for each step of the procedure should be respected whenever possible, while allowing flexibility that may be needed in some cases.

The project authorities should put in place measures to minimize grievances by addressing and resolving complaints and issues brought to their attention in an efficient and timely manner. Efficient and effective complaint handling and problem-solving made possible by a good GRM result in a widely accepted and sustainable project, avoiding, or at least minimizing, judicial recourse.

Mongolia Legal Framework on Grievances

The Constitution of Mongolia of 1992 prescribes the citizen's right to "submit a petition or a complaint to State bodies and officials. The State bodies and officials shall be obliged to respond to the petitions or complaints of citizens in conformity with law" (Article 16, para. 12). This law was further strengthened by the Parliament of Mongolia when it enacted the Mongolian Law on Resolving Citizens' Petitions and Complaints Submitted to State Organizations

¹⁰ ADB. 2009. *Safeguard Policy Statement*. Manila.

and Officials of 1995 (Law on Petitions and Complaints of 1995) that recognizes the right to “file a petition or a complaint solely or jointly with a state organization or official” (Article 5.1) to all citizens of Mongolia, foreign nationals, and statelessness persons on the territory of Mongolia. It likewise recognizes the people’s right to receive a reply, to file a complaint to a superior public official in case they do not agree with the reply received in the first instance, and to have their complaint resolved. The law clearly outlines the obligations of public officials and state bodies to allow the exercise of this right and the corresponding guidelines to follow in addressing complaints. This law is well known by the citizens of Mongolia.

Project Grievance Redress Mechanism Design

As outlined in the 2016 resettlement plans, MUB designed the UUSGADIP GRM with PMO as the key actor in the grievance redress process (Table 2). A grievance mechanism with a clearly defined time line of 6 weeks was established in 2016, and a Grievance Action Form (GAF) was prepared to initiate and track the grievance process. The GRM provided options for APs to lodge their grievances using the GAF and submit it to PMO directly or via MUB’s grievance redress procedures, by visiting MUB’s office or via short message service (SMS), Smart UB application, phone, or website. Within this system, the grievance redress officer (GRO) of MUB will convey it

to PMO through a web portal where PMO is registered. PMO has access to the web portal page where the grievances are posted. APs have the right to access the judicial system at any time they feel their grievance or concern is not being adequately addressed through the GRM.

All districts in Ulaanbaatar have land management offices which function as field offices of the Land Management Agency (LMA). The district offices used to have staff for land management including handling land-related transactions in each district. After the national elections in 2016, the LMA centralized their activities with all staff related to land moved to the office of LMA at MUB. The district governor was tasked to handle grievances including LAR matters as indicated in the project GRM design. However, decisions on land acquisition, resettlement, and compensation were referred to the Land Acquisition and Resettlement Working Group (LARWG).

The GRM designed in the project preparation stage did not refer to the already existing grievance process compliant with the national requirements. However, during the establishment of the GRM in 2016, it felt appropriate to establish the mechanism that was already functioning in the MUB, rather than have a process separately for the UUSGADIP project implementation. A comparison of the GRM designed in the 2016 resettlement plans and the GRM that was implemented is provided in Tables 2 and 3.

Table 2: Comparison of Grievance Redress Mechanism Design in the Resettlement Plans and Grievance Redress Mechanism Implemented in the Project

GRM originally designed in the RPs for road and infrastructure in Bayankhoshuu and Selbe (6 weeks)	GRM implemented (30 days)
<p>Step 1. AP shall submit grievances to the PMO RS who will log the complaint in the GAF.</p> <p>PMO RS will contact relevant member of the LARWG. The grievance will be presented, addressed, and resolved within 1 week within the PMO and LARWG.</p> <p>PMO RS will record its deliberations and inform the concerned parties within the same week of its findings and recommendations and present these to the PMO and LARWG for action. (1 week)</p> <p>PMO initiates action for resolution. (1 week)</p> <p>Step 2. If the grievance is not resolved within 2 weeks from its lodging, the grievance will be submitted to the related divisions/offices of the related district and its resolution is recommended to the district governor for approval and action. (1 week)</p> <p>District governor initiates action for resolution with support of PMO. (1 week)</p> <p>Step 3. If still unresolved within another week, the LARWG will seek to resolve the issue and make recommendations to the LARWG chairman, who is MUB vice-mayor. (1 week)</p> <p>MUB vice-mayor shall initiate action within another week. (1 week)</p> <p>Step 4. If the preceding stakeholders cannot resolve the grievance, it is referred to the courts. Mongolian legislation and the ADB SPS will guide all decisions. (Open)</p>	<p>Step 1. When a grievance is submitted, the PMO RS registers it and fills out the GAF with all necessary information. Then it sends it back to the PMO coordinator who assigns grievances to the respective PMO RS.</p> <p>a. If the complaint/grievance is not related to any additional approvals relating to land acquisition, resettlement, and related compensation, PMO RS addresses the case directly, gathering all the information, meeting with the AP, and proposing a solution. PMO RS records all the actions in the online MUB system. If the grievance is not addressed within 30 days, the system, by default, sends an alert to the PMO RS who receives an administrative sanction for violation of the Law on Petitions and Complaints of 1995. (30 days)</p> <p>b. If the complaint/grievance is related to land valuation leading to cost implications and allocation of adequate land plots to the project-affected non-title holders, PMO forwards it to LMA (formerly LAD) within the MUB through the online MUB system. The LMA officer has 30 days to address the grievance from the day the complaint is first submitted. PMO may also close the case in the system by sending an official letter to the LMA. (30 days)</p> <p>Step 2. If the APs are not satisfied</p> <p>a. with the decision made by the PMO, they can submit a complaint to the MUB (30 days), to the ADB project team, or to the court. (Open)</p> <p>b. with the decision made by the LMA/MUB, they can submit a complaint to a higher government official/institution (30 days), to the ADB project team, or to the court. Mongolian legislation and the ADB SPS will guide all decisions. (Open)</p>

ADB = Asian Development Bank, AP = affected person, GAF = Grievance Action Form, GRM = grievance redress mechanism, LAD = Land Acquisition Division, LARWG = Land Acquisition and Resettlement Working Group, LMA = Land Management Agency, MUB = Municipality of Ulaanbaatar, PMO = Program Management Office, RP = resettlement plan, RS = resettlement specialist, SPS = Safeguard Policy Statement.

Note: GD LLC is a development company selected by the MUB within the municipal project on ger area redevelopment.

Source: ADB.

Table 3: Comparison of Grievance Redress Mechanism Designed versus Grievance Redress Mechanism Implemented

	Project GRM Design	GRM Implemented
Access points	Multiple	Multiple including OSS
Acknowledgment of complaint	1 week	Max 2 weeks
Time to solve the complaint	7-15 days	Max 30 days
Levels of GRM process	Three	Two
Second-level GRM	District Governor	High Ranking (MUB)
Third-level GRM	MUB	Not applicable
Access to court	Yes	Yes
Access to ADB AM	Yes	Yes

AM = Accountability Mechanism, GRM = grievance redress mechanism, MUB = Municipality of Ulaanbaatar, OSS = One-Stop Shop.

Source: Asian Development Bank; Program Management Office, Ulaanbaatar Urban Services and Ger Areas Development Investment Program.

To gain the trust of the complainants and to ensure speedy redress of complaints; MUB established in March 2018 a special project task force (PTF) to handle resettlement-related complaints and requests; interact with the APs and complainants; and to ensure that all complaints, requests, and grievances received by the project are resolved in a timely manner.¹¹ The PTF continued to interact with the complainants until the finalization of the OSPF-facilitated memorandum of understanding (MOU) in July 2018. Then, the continuation of PTF was deemed unnecessary, as LARWG was already in place and PMO was increasing its staff and improving its capacity to manage issues on land acquisition, resettlement, and compensation.

Grievance Redress Mechanism Process in Submitting Complaints

APs are provided with several ways to submit their grievances. They can access the GRM through any of these avenues: the MUB/district/*khoro*¹² administration; the OSS service (there are four in total located in Ulaanbaatar and 150 in all of Mongolia); PMO, PMO subcenter offices, contractors, MUB website, dedicated phone line, Smart UB, Check My Service, 11:11 center, SMS; and community development committee (CDC) (Figure 2).

¹¹ The PTF was headed by the project coordinator of the PMO and members from the Land Agency (officers), PMO (resettlement and social safeguards specialists), and UN-Habitat (staff in charge of the community engagement) and representatives of property appraisal companies.

¹² *Khoro* is the smallest administrative unit within the districts.

Figure 2: Grievance Redress Mechanism System

CDC = community development committee, MUB = Municipality of Ulaanbaatar, PMO = Program Management Office, SMS = short messaging service.
Source: PMO, Ulaanbaatar Urban Services and Ger Areas Development Investment Program.

An online electronic system, centrally managed by MUB, registers and processes all complaints. APs can monitor their complaints as they are being logged into a database and track the process of receiving their complaint, the possible actions being taken, and the actual closing of their complaint. Figure 3 illustrates MUB's GRM process.

If complainants are not satisfied with the GRM process and if they have made good efforts to solve the problems through the project GRM and by working with the ADB project team, they can lodge a complaint with OSPF or Office of the Compliance Review Panel in accordance with ADB's Accountability Mechanism.

Figure 3: Grievance Redress Mechanism Process

MUB = Municipality of Ulaanbaatar, PMO = Program Management Office, SMS = short messaging service.
Source: PMO, Ulaanbaatar Urban Services and Ger Areas Development Investment Program.

Grievance Redress Mechanism Actors

The GRM requires the participation of several project stakeholders at different levels. Below is a brief description of the GRM actors and their involvement in the process:

The MUB is the EA/IA for the program and centrally manages the MUB GRM system. It makes the final decisions on issues related to land acquisition, resettlement, and compensation.

The PMO, with the vice-mayor as director, is the frontline office dealing with grievances. The PMO resettlement specialist addresses and contacts relevant agencies for grievances resolution and maintains contact with APs and consults with them about decisions on grievances. In 2018, the PMO increased its staff engaged in resettlement implementation and GRM to four with the addition of two land acquisition support assistants to assist the two resettlement specialists. Table 2 details the framework of the responsibility of PMO.

The LMA, one of MUB's 34 implementing agencies, directly reports to the mayor and is responsible for the implementation of the resettlement plan under the guidance of the LARWG and is in close coordination with PMO. LMA, with 270 staff, is responsible for handling grievances related to land valuation, compensation, and resettlement. Grievances can be addressed either by the District Land Relations Department, which has 14 to 15

staff, or by the LMA's Resettlement Division, which consists of 14 people. The LMA also has a presence in *khoroos* subcenters. Mongolian Civil Service Council organizes routine training for all civil servants, usually once a year, in order to provide updates on newly adopted standards; regulations; and by-laws, including some element on GRM. For UUSGADIP, LMA received two trainings: one on SPS organized by the ADB project team and the other on problem-solving provided by OSPF in 2019.

The LARWG,¹³ chaired by the vice-mayor, is responsible for the overall management and supervision of the LAR activities of the UUSGADIP. The vice-mayor is the chairman of the LARWG. The LARWG supports the PMO on decisions on grievances as well as addresses some of the grievances that could not be resolved by the PMO or district governor. In practice, the LARWG has not been effective in handling grievances related to resettlement and compensation, because such decisions are taken by the vice-mayor prior to the mayor's approval and this delays resolution of such grievances.

The *khoroos* disseminates project-related information (including GRM) and is one of the "entry points" through which APs can submit a grievance. The *khoroos* also hosts outreach activities organized by PMO, ADB project staff, and other stakeholders.

The CDCs are voluntary grassroots organizations at community level (in this case, *kheseg* and *khoroos*) whose representatives are community leaders or *khoroos* unit heads.

¹³ The LARWG was established by the MUB mayor in March 2015 with Resolution No. A/175 and was renewed in April 2017 by Resolution No. A/194.

CDC representatives work on a voluntary basis. The CDCs were organized and have been capacitated by UN-Habitat since 2007 with the aim of creating a community-based organization responsible for liaison and representation, advice, support, protection of rights, consultation, negotiation, data collection, monitoring, and evaluation for the subcenter redevelopment without any political influence of public administrative units. The PMO confirmed that, at the beginning of the infrastructure works, the CDCs were provided with templates to report if their community members (primary groups) had issues and/or complaints regarding these works. Some cases were resolved on-site together with the construction companies, whereas others were brought to the attention of the PMO, which, most of the times, resolved them outside the GRM. Cases which could not be solved informally were resolved using the GRM.

NGOs can submit grievances and participate in dialogues on behalf of the APs. They can also engage in dialogue with the concerned implementing agencies, PMO, and ADB project staff. They received GRM trainings through their networks and attended the 2019 OSPF capacity-building and training program. Some NGOs also engaged in the OSPF problem-solving process.

Communication and Information on the Grievance Redress Mechanism

APs were consulted at the preliminary project design stage in 2013, where the entitlement matrix was explained including compensation measures for affected land, structures, businesses, and employment income; where measures to protect vulnerable people were described; and where the project's GRM was explained. Participants were also informed that they could visit the UN-Habitat office if they had questions and were invited to disseminate the information to their family and friends. When the project started, PMO conducted periodic outreach activities to inform APs about the benefits of the project. Such activities included meetings at *khoroos* administration and door-to-door information awareness campaign implemented by UN-Habitat. A total of 249 public events were conducted including meetings co-organized with UN-Habitat by PMO in Selbe and Bayankhoshuu. In addition to the 246 community consultations by PMO, UN-Habitat delivered three community meetings from November 2016 to May 2017 providing information on GRM in *khoroos* 13, 14, and 17. PMO produced project information materials such as pamphlets and bulletins that were distributed during community meetings and also provided to APs verbally during these occasions. These included the contact details of the PMO office. PMO also regularly updates the project website and

its Facebook page. Monthly project progress reports are also distributed to stakeholders. PMO continues to conduct periodic outreach activities to inform APs about the project GRM and maintains a presence in subcenters at the *khoroо* administration office. The CDCs also supported the information dissemination and consultation processes because their representatives shared information with their respective communities (primary groups).

Based on the interviews of stakeholders conducted in August and September 2019 for this study, APs demonstrated knowledge of the project GRM and their right to complain under the Law on Petitions and Complaints of 1995. However, in the same interviews and as reflected in the complaint letter submitted to OSPF in March 2018, the complainants and NGOs claimed that there was inadequate consultation during the project preparation and insufficient information on the project GRM and on how the compensation would be calculated.

Project-Related Complaints

Complaints arose during the project implementation stage and were mainly related to land acquisition, valuation, compensation, resettlement, asset valuation, and loss of livelihoods, including damage to property during construction, among other issues. Some of the complainants requested complete land acquisition, while some asked for confirmation if they (and therefore their land parcels) would not be affected by the project.

A total of 243 complaints have been received through the project GRM system since 2015. The highest number was received in 2018, with 157 complaints including the 80 filed before the OSPF.

Table 4: Project-Related Complaints Received, 2015–2019

Year	Construction-related	Land-related	Others	Total
2015	1	8	2	11
2016	2	2	1	5
2017	2	42	1	45
2018	8	144	5	157
2019	4	20	1	25
Total	17	216	10	243
%	7%	89%	4%	100%

Source: Program Management Office, Ulaanbaatar Urban Services and Ger Areas Development Investment Program.

Of the complaints received, 89% were land-related, mostly pertaining to land acquisition, valuation, and resettlement; 7% were construction-related; and 4% were of other reasons, mostly information-related. Eighty-seven percent of the complaints were lodged through the *khoro* administration, 9% were written requests submitted to PMO, and the rest through the various access points of the MUB GRM system. Of the total, 159 were resolved by PMO and 84 (76 in 2018 and 8 in 2017) were transferred to MUB or other agencies.

Capacity Building on Grievance Redress Mechanism

Intensive engagement of all concerned groups in OSPF's problem-solving activities since April 2018 has been instrumental in building PMO's capacity to deal with grievances. Since 2015, ADB project team and PMO consultants conducted 15 training sessions and workshops to MUB, LMA, PMO LAR staff, and APs on planning and implementation of resettlement plans consistent with ADB safeguard requirements in addition to the national requirements. The training covered the following:

- ADB involuntary resettlement requirements under the SPS and relevant Mongolian laws and regulations regarding involuntary resettlement and land acquisition;
- policy gaps between ADB SPS requirements and Mongolian laws on LAR;

- entitlements and eligibility for LAR activities;
- mitigation measures taken to avoid the gaps during the implementation of project; and
- GRM functions and procedures.

Grievance Redress Mechanism Innovations

Grievance Redress Mechanism System

The GRM system was approved by the mayor in 2013 to give easier access to individuals who want to submit a grievance. All government and MUB agencies must follow the GRM system. Through the system, anyone can submit grievances by the several access points described in Figure 3.

The GRM system consists of a web platform, erp.ulaanbaatr.mn, which has substituted the smartcity.mn. The new platform allows MUB to manage all grievances received by its agencies including tracking and monitoring the progress of the grievances and making sure that these are addressed on time. The system includes a variety of tools such as the GRM, e-docs (electronic documents), and archives. It is different from the smartcity.mn which only included a GRM system. Closer to the deadline, the system sends a default alert/notification to the staff in charge of the grievance to ensure timely resolution of the complaints. The staff that does not solve

Of the complaints received, 89% were land-related, mostly pertaining to land acquisition, valuation, and resettlement; 7% were construction-related; and 4% were of other reasons, mostly information-related.

the grievance within 30 days from its receipt incurs an administrative sanction, but may close the case before the deadline to avoid the sanction. This is one of the limitations of the MUB GRM system. The system also records staff working hours through logging in and logging out.

In 2018, the system introduced a new mobile application for citizens, Check My Service, that was intended to receive complaints and petitions addressed to Ulaanbaatar City's

local administration organizations and officials and allows complainants and petitioners to evaluate the activities of the participating institutions. Check My Service permits APs and concerned stakeholders to check the status of their grievance through a dedicated website or application. The system generates an SMS which informs the AP/complainant that the grievance has been received and provides information on when it should be resolved. When the complaint is resolved or closed by PMO, an SMS is likewise sent to the AP through the system.

Figure 4: Sample Page of Check My Service

Source: Program Management Office, Ulaanbaatar Urban Services and Ger Areas Development Investment Program.

The GRM system presents certain challenges:

- The system does not strive for a solution of the grievance, thus potentially generating more grievances and delays in response. In order to improve its efficiency and timely response to address grievances, the system exercises pressure on the MUB officials responsible for handling these grievances. This limitation leads them to close cases that are not yet solved or to transfer cases to other divisions.
- Although there are multiple access points for lodging a complaint and the possibility for the APs to track their grievances, there are limitations in the interface among the different agencies to track the status of the complaint except at MUB level. This means that once the PMO transfers the grievance to another agency, PMO cannot track it anymore.
- This lack of system interface impedes the determination of identical complaints as APs often submit grievances to different authorities thinking that their grievances would be promptly addressed if they did it in this manner.

These challenges make the system cumbersome and create delays in resolving grievances. This, in turn, increases the mistrust of the APs in the system, a fact that some already mentioned as one of the reasons they lodged a complaint with OSPF.

One-Stop Shop City Service Center

Established in 2013 by the Government of Mongolia with financial contribution from the Swiss Agency for Development and Cooperation, the OSS is a model facility that provides a range of public administrative services under one roof, making it easier and more time-efficient for people to avail themselves of the services they need. These include social insurance and welfare, civil registration, land and property

administration, tax offices, notaries, and banking. The OSS also has an office where grievances may be submitted. In 2017, MUB established and began operating an OSS in the Selbe subcenter for the project. And in 2019, a similar OSS was established in the Bayankhoshuu subcenter. Prior to the establishment of the OSSs, people had to travel to other locations to file their grievances.

The OSS facility that reduces bureaucracy and builds transparency is available in all administrative subdivisions of Mongolia: Ulaanbaatar districts, *khoroos*, *aimags* (provinces), and *soums* (rural districts). In each location, the OSS is placed under the responsibility of the head of the governor's office. There are now over 150 OSS centers operating in *khoroos* and *soums*.

Officers working in the OSS are civil servants and salaried workers of the schemes, programs, and services they offer. They report directly to their institutions of origin and there is no reporting line between them and the head of the governor's office which is responsible for ensuring the smooth functioning of these facilities.

Individuals who would like to lodge a complaint or a petition can do it at the OSS through the GRO. The GRO only receives written complaints and petitions.

Once received, the complaint and/or petition will be scanned and included in the system together with the details about the complainant (name, address, ID number, and telephone number). This is then sent through the electronic system to the mayor's office, which, in turn, forwards it to the responsible departments and/or offices. The complainant/petitioner is then notified when the complaint/petition is received by the officer who will handle the case. The message contains relevant information about the case, which allows the complainant/petitioner to track it. The GRO also keeps written records of complaints/petitions received.

The OSPF team talking to the GRO at the One-Stop Shop City Service Center in Ulaanbaatar.

The OSPF translator explaining how the One-Stop Shop City Service Center operates.

Grievance Management: Mechanisms Put in Place to Address Concerns of Project-Affected Persons

UUSGADIP grievances not related to resettlement or compensation, for instance, construction safety, public roads condition, etc., are often resolved without going through the processes of the GRM. This is the case of grievances received by the PMO during outreach visits at subcenters, requests received over the phone, and grievances that are directly dealt with by the contractors at the construction sites. There are many cases that get resolved before their escalation through the GRM.

Prior to construction work, the CDCs were provided with templates to report if their community members (primary groups) had issues and/or complaints regarding infrastructure works. Some cases were resolved on-site by the contractors to avoid escalation through the GRM, while others were brought to the attention of the PMO, which resolved most of them outside the GRM and, if a solution could not be immediately found, resolved them through the GRM.

However, there were cases that were not also sufficiently recorded, making it difficult to

assess the positive impact of the activities on the GRM. It appears that of all grievances received by contractors on the construction site, only three were submitted through the GRM as the APs thought that by using the GRM, their complaint would have been addressed faster.

Although contractors provided weekly reports to the PMO on the status of the construction, such reports do not always mention the grievances they addressed. They felt that it was their responsibility to resolve any construction-related impacts on-site without any requirement to inform the PMO, but one contractor confirmed including grievance-related information in the report. Further, the PMO also confirmed lack of standardization of reporting format among the contractors.

IV. Complaints Received by the Office of the Special Project Facilitator and Their Impact on the Grievance Redress Mechanism

The OSPF and the Mongolia Resident Mission staff met with the first deputy (vice)-mayor of Ulaanbaatar City to discuss the progress on the course of actions outlined in the MOU.

On 28 March 2018, OSPF received a complaint from a group of APs represented by three NGOs: Oyu Tolgoi Watch, Zurgaan Buudal, and Land Acquisition and Citizens' Rights and Interests. The complaints alleged damages and negative impacts on them due to land acquisition and property valuation. A similar complaint was lodged with the project complaint mechanism of the EIB, a cofinancier of the project. EIB and ADB agreed that the complaint would be addressed by ADB following its process, with EIB as observer. This complaint was determined eligible after a fact-finding mission was conducted in April 2018 and after a review and assessment was conducted from 27 April to 3 May 2018. An additional but similar complaint from 35 households from the dam area and heating plant site was submitted to OSPF on 29 March 2019. They were represented by two of the NGOs which represented the APs in the first complaint: OT Watch and Zurgaan Buudal. This complaint was also deemed eligible for problem-solving by OSPF.

OSPF facilitated a series of roundtable discussions with MUB, PMO, ADB project team, and the complainants. These culminated into signing of an MOU on 2 July 2018 and served as a guiding document for the case-by-case negotiations initiated in June 2018 and concluded on 14 September 2018. Negotiation meetings facilitated for each complainant ranged from a minimum of one to a maximum of eight sessions covering value of assets, livelihoods, economic and business reimbursement, transitional and moving assistance, and allocation of land plot to non-title holders.

OSPF also customized a capacity-building program to equip complainants with communication and negotiation skills prior to the negotiations. Throughout the problem-solving process, engagement of all stakeholders was assured through joint meetings where issues were discussed and addressed. Day-to-day support and advice were also provided to stakeholders by a local project-dedicated OSPF facilitator engaged for the complaint.

From 109 complainants, 92 claims were resolved through case-by-case negotiations in favor of the complainants. This means that an agreement was reached on land and asset value to be compensated. Twelve complainants were found as non-affected, four refused to sell their land because of land legacy and demanded for a compensation package which was much higher than stipulated in the MOU, and one passed away.

A small-scale technical assistance was prepared by the ADB project team to address issues related to loss of income and economic and/or livelihood opportunities. The small-scale technical assistance for the Livelihood Support Demonstration in Ger Areas aimed to support the poor and vulnerable households who were affected by land acquisition and involuntary resettlement activities of the UUSGADIP. The technical assistance is a parallel program alongside the livelihood restoration and improvement programs of PMO and/or MUB. Its purpose is to complement what PMO was doing, and to demonstrate how best this effort could be undertaken. Based on its successful implementation of the small-scale

technical assistance in reaching out to 100 affected households for livelihood support and employment opportunities, ADB management approved another transaction technical assistance targeting capacity building on livelihood support under the program in 2019 to further build capacities of the PMO and MUB on integrating livelihood restoration in urban resettlement and land acquisition.

The OSPF facilitation process contributed to continuous dialogue and to building trust between the MUB, PMO, ADB project team, and the complainants. It also helped various stakeholders understand the importance of soft skills to communicate with one another and negotiate for a common solution. This complaint highlighted the need for prompt and effective grievance handling. It was reported that during the OSPF problem-solving process, all stakeholders engaged in a constructive way in developing an implementation plan. The presence of a local OSPF facilitator improved day-to-day communication and dialogue among them.

The facilitation process also enhanced dialogue and collaboration between LMA and PMO with the common understanding

that grievances could affect project implementation and delivery of results. The MOU established a mechanism for re-evaluation and compensation that was applicable to all APs in similar situations under the project. In accordance with the MOU, PMO engaged with all the APs and applied the same terms and conditions. Accordingly, MUB ensured that entitlements that were agreed on with the complainants would be available to all persons affected by the project.

In July 2019, the mayor issued an ordinance approving to pay a total of more than MNT3.13 billion as additional compensation for the land; immovable property; and assets, including transitional assistance to 473 households affected by the auto road, engineering pipelines, and network construction works to be built within the Selbe and Bayankhoshuu subcenters development work. As of January 2020, all complainants, except for two, have received their additional compensation.

On 17 September 2019, the first deputy (vice)-mayor signed an agreement with PMO to secure adequate land plots or social housing units as options to be provided to 253 non-title holder households. The preparatory work for proceeding with the case-specific negotiations with these nontitle holders is almost completed. Out of 72 non-title holders, who are subject to the first and second complaints facilitated by OSPF, 70 non-title holder complainants—including non-complainant non-title holders who are benefiting from the OSPF problem-solving process—have selected their land plots.

The OSPF facilitation process contributed to continuous dialogue and to building trust between the MUB, PMO, ADB project team, and the complainants.

V. Lessons Learned and Recommendations

The case study had set out to conduct an analysis of the Ulaanbaatar Urban Services and Ger Areas Investment Program (UUSGADIP) project grievance redress mechanism (GRM) design and implementation and, based on the criteria outlined in Section II, noted the following observations:

- ***Existence and function of the GRM as part of the project activities.*** The project GRM designed in 2013 was implemented and established in 2016. However, the change in the project design impacted almost 10 times the number of affected persons (APs) than those in the initial design. Moreover, the grievances that were lodged with the project GRM highlighted that some of the issues were not within the approving authority of the district governor. Hence, some corrections were made, e.g., grievances pertaining to land and asset valuation and compensation, replacement land, request from partial to fully affected, etc., and were transferred to either the Land Management Agency (LMA) or the Municipality of Ulaabaatar (MUB), which has the responsibility and authority to decide on such issues.
- ***Development of the GRM.*** The project GRM was developed in accordance with the requirements of the ADB Safeguard Policy Statement (SPS), taking into consideration MUB's existing grievance redress systems. However, the GRM designed in the project preparation stage did not consider the already existing grievance process that was compliant with the national requirements. Thus, when the GRM was established in 2016, it was deemed fitting to implement the mechanism that was already functioning in the MUB, instead of following a separate process for this project.
- ***Knowledge of the GRM by APs.*** Information about the GRM was included in the consultations done during the preliminary project design stage. A series of activities were done by the Program Management Office (PMO) to inform APs about the project. Such activities included meetings at *khoroos* administration and door-to-door information awareness campaign implemented by UN-Habitat. Information materials were published, such as pamphlets and bulletins, and project website and Facebook page were regularly updated. Monthly project progress reports were also distributed to stakeholders. More detailed information was provided when the design was finalized and resettlement plans were updated. However, during the Office of the Special Project Facilitator (OSPF) consultations, complainants and few APs expressed limited understanding of the existing GRM process.
- ***Accessibility.*** The project GRM is made accessible to all APs through various platforms, but it is not possible to anonymously lodge a grievance in the GRM system. APs were provided with multiple ways to submit their grievances using those detailed in Section III. D. However, grievances can be lodged anonymously only for generic issues such as improving the access through the construction sites, or environmental issues such as dirty roads, dusts due to

construction, etc. This can be done orally or in writing directly to PMO officers while they are on-site or in the PMO office located in the subcenter.

- **Responsiveness and transparency.** The GRM has a clearly defined time line. Within the MUB's grievance system, the grievance recipient conveys it to PMO through a web portal where PMO is registered and has access to its designated window where the grievances are posted. Grievances are then referred by PMO to the appropriate agencies when it is not in their purview to decide on the grievance. The GRM has a system for acknowledging complaints received and complainants are able to check the status of their complaints through the MUB grievance system. Closer to the deadline, the system sends a default alert/notification to the PMO staff in charge of the grievance to ensure timely resolution of the complaint. The staff that does not solve the grievance within 30 days from its receipt incurs an administrative sanction. This becomes a system problem as the designated staff may choose to close the case without any resolution in order not to get any sanction after the 30-day deadline. Consultations with PMO and MUB informed that resolving this glitch will require changes to the legal provisions and would also entail changes across the MUB system and not only to the ADB-supported projects. For grievances that are transferred and not closed by PMO within the 30-day deadline, it has been recommended that those grievances be followed and tracked separately by PMO. This database can be separately maintained and reported. Adoption of this approach will ensure that all grievances registered in the GRM can be tracked and a clarity on the status provided.

- **Adequate human and financial resources.** Initially, PMO had a grievance redress officer (GRO) who was also handling environment safeguards. Once the complaints were sorted, these were referred to the appropriate specialists based on the type of grievance such as procurement, resettlement, and others. Several grievances required administrative approvals that required more time than what was stipulated in the GRM process. Although there was commitment demonstrated by the Land Acquisition and Resettlement Working Group (LARWG), the LMA, and other staff, the interface between the executing agency and people was through valuation teams that comprised of junior staff and field enumerators who had very limited capacity on engagement with APs. This has been evolving and with concerted efforts since the complaint was escalated to OSPF, PMO, and LMA staff have demonstrated improved capacity on communication and soft skills. Periodic efforts from the ADB project team on various capacity-building activities is ongoing. PMO, in 2018, increased its staff engaged in resettlement implementation and GRM to four with the addition of two land acquisition support assistants to assist the two resettlement specialists. One staff, land manager, for each subcenter closely works with PMO on issues related to land acquisition and resettlement. Grievances can be addressed either at

the District Land Relations Department, which has about 14 to 15 staff, or at the LMA's Resettlement Division, which consists of 14 people. PMO also has a presence in the subcenters. For UUSGADIP, LMA staff received two trainings: one on ADB SPS organized by the ADB project team and the other on problem-solving provided by OSPF in 2019.

- **Existence of a recording and tracking system for complaints.** An online electronic system, centrally managed by MUB, registers and processes all complaints. APs can monitor their complaints as they are being logged into a database, including tracking the process of receiving the complaint, possible actions being taken, and the actual closing of their complaint.
- **Communication with complainants.** The GRM system allows APs and concerned stakeholders to check the status of their grievance through a dedicated website or application. The system generates a short messaging service (SMS) which informs the AP/complainant that the grievance has been received and provides information on a timeline on when it should be resolved. When the complaint is resolved or closed by PMO, an SMS is sent to the AP through the system. Further, the PMO resettlement specialist maintains contact with APs and consults with them about decisions on grievances.
- **Right to appeal.** APs have the right to access the judicial system at any time if they feel that their grievance or concern is not being adequately addressed through the project GRM. Further, if complainants are not satisfied with the GRM process and that they have made good efforts to solve the problems through the project GRM and with the ADB project team, they can lodge a complaint with ADB's Accountability Mechanism.
- **Existence of a monitoring system to feed back into the project to allow adjustment of activities which generate complaints.** There is no formal system established for monitoring the GRM and resolution of grievances to feed into the project planning and management. However, based on the lessons learned from the implementation of grievances, PMO has identified several improvements to ensure project activities minimize complaints.

The analysis of the project GRM implemented and the observations made during the case study fieldwork showed that the GRM had several enablers that, if further strengthened, could enhance its responsiveness and effectiveness.

The analysis of the project GRM implemented and the observations made during the case study fieldwork showed that the GRM had several enablers that, if further strengthened, could enhance its responsiveness and effectiveness. At the same time, it has some features that can still be further improved to enhance its functionality and efficacy. Although the complaint lodged with OSPF and the related problem-solving process highlighted limitations of the project GRM, it also represented a game changer for all stakeholders which positively impacted the GRM, showing its strengths, limitations, and areas for improvement. Below are some considerations on the GRM.

Enablers

- Several mechanisms were put in place to informally address concerns from APs before these could escalate into grievances. These mechanisms were enabled by the presence and activities of grassroots organizations such as the community development committees (CDCs), as well as by the commitment and responsiveness of the contractors who aimed to resolve issues on-site to avoid escalation.
- The One-Stop Shop (OSS) allowed for greater transparency and easy access through the automated delivery of certificates. It is linked with GRM in terms of providing a venue for people to lodge their complaint and consult with the municipality. It also served as an information hub and as such could be used by PMO to provide project clarificatory information to people. Likewise, it lessened the bureaucracy in dealing with services from national government agencies when processing certificates and other requirements for resettlement.
- The GRM system allows APs to track their grievances and informs them about the status of their complaints thanks to multiple access points and a web-based application. The system ensures that complaints are dealt with in the time prescribed by law.
- APs were able to submit complaints in accordance with the Law on Petitions and Complaints of 1995. The multiple access points to the MUB GRM system allowed them to use the system from any location, thereby improving the possibility for immediate access to remedy.

Challenges

- The UUSGADIP is the first project of its kind in Mongolia, entailing a large-scale land acquisition and resettlement that does not have precedents in Mongolia. The change in the urban plan in the subcenters at the beginning of the project implementation necessitated widening of the roads. This substantially increased the magnitude of the resettlement and its impacts, and consequently, the number of APs.
- The scale and magnitude of resettlement resulting from the change in project design vis-à-vis the available human, technical, and financial resources to handle grievances arising during project implementation created a significant challenge.

-
- During project implementation, the mayoral leadership changed three times from 2015 to 2019, leading to a restructuring each time and resulting in changes to the program's implementation arrangement.
 - APs complained that there was little or no information on how compensation was being calculated, including the methodology for valuation. The valuation was carried out by certified appraisers, selected on competitive bidding. Another key complaint raised by APs was that the appraisal and valuation of their impacted assets were not agreeable to them and in several cases, were done in the absence of key family members of the affected households. To avoid this, the valuation process was revised to include an advance notice on the arrival of the valuation team. This ensured the presence of key family members during the measurement of the assets, enabling the valuation team to explain it. At the end of the measurement process, a document was signed to confirm that the property owner witnessed it and was agreeable to the measurements made.
 - In line with the ADB SPS requirements, resettlement plans for individual subprojects were prepared in accordance with the resettlement framework for the program and approved by ADB prior to awarding of civil works. Pending ADB's approval of the resettlement plan, the civil works contracts for a couple of subprojects were awarded. Due diligence for these project packages was carried out and which confirmed that (i) consultations and information sharing of GRM with the APs were carried out as part of the resettlement plan preparation, (ii) the process of valuation and compensation was done in line with the provisions of the draft resettlement plan consistent with the resettlement framework, and (iii) the delays in resettlement plan approval did not result in any additional complaints or grievances. To avoid any such future recurrences, improved coordination among the ADB project team and PMO is essential to ensure compliance of procedural safeguard requirements prior to awarding civil works.
 - Changes at higher- and mid-level MUB management led to several halts in the handling of grievances and this has challenged the implementation of the memorandum of understanding between OSPF and MUB on the 2018 complaints. However, the current MUB management expressed its commitment to implement what has been agreed on previously and is continuing the process.
 - In the initial stages of the project implementation, PMO and LMA staff had limited capacity to effectively address complex grievances. They did

There is proactive engagement of the ADB project team through frequent review missions and consultations with complainants, which has positively contributed in handling the issues related to complaints associated with project implementation.

not receive sufficient training for grievance management and their approach toward APs and grievances, in general, resulted in APs losing trust in the GRM.

- PMO does not have the authority to decide on resettlement- and compensation-related cases. These must be decided by LMA. Often, such cases depend on the mayor's decision and this has created further delays in providing responses to APs.
- Although there are multiple access points for lodging grievances, there is no interface between the different agencies to track, manage, and monitor the complaint except at the MUB level.
- The MUB GRM does not admit anonymous complaints so they can contact the complainant. It is automatically programmed to send an SMS to the complainant to acknowledge receipt of their complaint and during the resolution process, to provide updates on the status of their complaint. The downside of this system feature was that it inhibited some APs who may have felt that their issues were quite sensitive and would therefore prefer to remain anonymous. However, anonymous grievances could be submitted to PMO but only in written form.
- Managing the GRM registration and tracking system was very tedious and placed a lot of pressure on the officials who handle grievances leading them to find quick solutions and impose them on the APs or close cases without solving them. This pressure has increased the frustration of the GRO and has impacted their relationship with the complainants. While the system aims at improving the efficiency of MUB officials to address grievances, it does not strive for the solution of grievances, but rather created possibilities for generating more grievances due to delays in responses. Further, ADB project staff does not have a systematic GRM record or an online documentation at country level or operations department. It was thus agreed that a database of complaints be established at the Mongolia Resident Mission and be made accessible to the project team and East Asia Regional Department (EARD) management to ensure that any red flags are identified and action taken at an early stage.
- There is a proactive engagement of ADB project team through frequent review missions and consultations with complainants, which has positively contributed in handling the issues related to complaints associated with the UUSGADIP implementation. Consultations with the project team also highlighted the initiatives by EARD management to engage with the decision makers at MUB on expediting handling of complaints.

The OSPF team met with one of the NGOs representing the APs, Oyu Tolgoi Watch, to get their views on how the complaints were handled by the project GRM.

One of the negotiation meetings with the APs conducted by the OSPF facilitator.

Recommendations

This case study provided a rich sampling of grievances and scenarios and showed how these were handled by the project GRM, highlighting its strengths, limitations, and challenges. The findings of the case study, together with OSPF's experience in handling the complaints, illustrated some generic approaches in establishing and operating effective project-level GRMs, recognizing the fluidity, and the need for course correction at all stages and levels of the project. OSPF aims to share with ADB operations departments and other bilateral and multilateral development partners the following recommendations to help build capacity on the need to establish a good project GRM that is operational at all levels. Further, as mentioned earlier, the findings and recommendations of this case study will be used to inform OSPF and help improve its problem-solving and advisory functions, and its capacity-building and training programs targeting ADB operations staff and project stakeholders.

Context

- Adapt the project GRM to the local context and make sure that it is designed in accordance with the relevant national and local legislation and online systems.
- Identify and engage with civil society, in particular, community-based organizations or other informal dispute resolution mechanisms which can help in managing information dissemination about the project, the GRM, and the support handling grievances at the field level.

Decision Making

- Make sure that the GRM actors have the authority to decide on the grievances.
- Make special arrangements (e.g., creation of working groups or focal positions in relevant government agencies involved in the GRM process) and delegate applicable approving authority that can be engaged to facilitate quick decision making.

Capacity

- Conduct a capacity and training needs assessment of the institutions and actors responsible for the GRM prior to project implementation.
- Provide periodic capacity building and trainings to various GRM actors, project staff, and consultants on communication and soft skills to improve communication with APs and complaint handling.

*Adapt the project GRM to the local context and make sure that it is **designed in accordance with the relevant national and local legislation and online systems.***

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- Take initiatives to organize knowledge- and experience-sharing events and trainings to build capacity among other stakeholders at the local level.
 - Based on feedback provided by participants from government agencies who attended OSPF capacity-building workshops on communication and complaint handling, invite decision makers and project management authorities to capacity development events to enhance their buy-in of the GRM, and sensitize them on the importance of efficient and effective complaints management and implications of delays in addressing complaints.

Consultation

- Increase the quality and frequency of stakeholders' consultations starting from project design stage, encourage them to collaborate more, involve them in working groups, and ensure their participation in all relevant activities.
- Support creation of venues which enhance dialogues between and among project authorities, APs, and other concerned stakeholders. This will increase transparency and the APs' trust in the GRM and among the stakeholders.

Resources

- For grievance management and complaint handling, ensure the allocation of the necessary human, technical, and financial resources to support project implementation and supervision, including but not limited to project vehicles for fieldwork, state-of-the-art systems, including artificial intelligence where possible.

Systems

- Design and develop a complaint tracking system at ADB resident missions and concerned operations department to detect complaints early, and to track, monitor, and manage them.
- Align systems so that they protect complainants and allow submission of anonymous complaints related to harassment or other sensitive issues that may lead to retaliation.
- Develop and use templates for consistency of monitoring and reporting of issues and complaints in the GRM, e.g., in this case study, integration of GRM management or tracking of PMO's resettlement monitoring report to ADB, and at the field level, develop a template of contractor's report to be submitted to PMO to help address issues in a timely manner.

Office of the Special Project Facilitator's Lessons Learned

Ulaanbaatar Urban Services and Ger Areas Development Investment Program, Tranche 1

The Office of the Special Project Facilitator (OSPF) is responsible for the problem-solving function of the Accountability Mechanism of the Asian Development Bank (ADB). It aims to actively respond to the concerns of people affected by ADB-assisted projects through fair, transparent, and consensus-based problem-solving. This publication focuses on an investment program in Mongolia's capital city, Ulaanbaatar, that sought to address an urgent demand for basic urban services, high pollution levels, and poor living conditions in *ger* areas. It is one of OSPF's *Lessons Learned* series of case studies on its complaint management experience—from project preparation, design, and processing to implementation and monitoring. The series aims to support ADB operations departments, government and private sector partners, and other stakeholders by documenting grievance redress management experiences and identifying important lessons and good practices on problem-solving that are useful for future projects.

About the Asian Development Bank

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. Established in 1966, it is owned by 68 members—49 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

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