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Mongolia: Mongolia: Choir - Sainshand Transmission Line Project

Land Acquisition and Resettlement Framework
(LARF)

June 2021



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Abbreviations and Acronyms

Abbreviation	Description
Aol	Area of Influence
AP	Aggrieved person(s)
CLO	Community Liaison Officer
CRKh	Citizens Representative Khural
DEIA	Detailed Environmental Impact Assessment
EBRD	European Bank for Reconstruction and Development
EIA	Environmental Impact Assessment
EMF	Electromagnetic fields
ESAP	Environmental and Social Action Plan
ESIA	Environmental and Social Impact Assessment
ESMMP	Environmental and Social Management and Monitoring Plan
ESMS	Environmental and Social Management System
ESP	Environmental and Social Policy
EU	European Union
FS	Feasibility Study
GDP	Gross Domestic Product
GIP	Good international practice
GPS	Global Positioning System
GRM	Grievance redress mechanism
ha	Hectares
HGV	Heavy Goods Vehicle
HH	Household
HHS	Household Survey
IBA	Important Bird Area
KIIs	key informant interviews
Km	Kilometres
kg	Kilogram
kV	Kilovolt
LARF	Land Acquisition and Resettlement Framework
LRP	Livelihood Restoration Plan
M	Metre
m ²	Square metre
m ³	Cubic metre
MRPAM	Mineral Resources and Petroleum Authority of Mongolia
MoE	Ministry of Energy
MVA	mega volt ampere
NPTG	National Power Transmission Grid
NSO	National Statistics Office
NTS	Non-Technical Summary
OECD	Organisation for Economic Co-operation and Development
OHTL	Overhead transmission line
O&M	Operation and Maintenance
PDP	Project Displaced Person
PIU	Project Implementation Unit
PRs	Performance Requirements
PV	Photovoltaic
PWD	People with disabilities
RAP	Resettlement Action Plan
RoW	Right of Way

Abbreviation	Description
SEA	Sustainability East Asia
SEP	Stakeholder Engagement Plan
SIGI	Social Institutions and Gender Index
VRE	Variable Renewable Energy

1. Introduction

1.1. Background

The European Bank for Reconstruction and Development (EBRD) is considering providing a sovereign loan to the Government of Mongolia to finance the construction of a 220.2 kilometre (km) double circuit 220 kilovolt (kV) overhead transmission line (OHTL) between Choir and Sainshand and construction of a new 220/110/35 kV substation in Sainshand and the extension of 220 kV Choir substation (hereafter referred to as the Project). The Ministry of Energy will be the Client. The National Power Transmission Grid State Owned Joint Stock Company (the Company or NPTG), a state-owned power transmission utility, will operate the Project and may act as the implementing entity will operate the Project.

The EBRD has categorised the Project as “A” in relation to its 2014 Environmental and Social Policy (ESP), which means that a comprehensive Environmental and Social Impact Assessment (ESIA) is required to determine the bankability of the Project. The EBRD has commissioned WS Atkins International (Atkins), with their sub-consultants, Sustainability East Asia LLC (SEA) to undertake the ESIA and prepare the ESIA Disclosure Package to EBRD requirements.

This document presents the Land Acquisition and Resettlement Framework (LARF) for the Project. This LARF, together with the other supplementary documents listed below, will be disclosed in line with EBRD ESP requirements:

- Environmental and Social Impact Assessment (ESIA);
- Non-Technical Summary (NTS);
- Stakeholder Engagement Plan (SEP);
- Environmental and Social Mitigation and Management Plan (ESMMP); and
- Environmental and Social Action Plan (ESAP).

1.2. Purpose and Scope of the LARF

This LARF has been prepared with the aim of outlining the general principles, procedures and entitlements framework with regard to the potential impacts associated with the land required for the Project, in compliance with the EBRD’s PR5: *Land Acquisition, Involuntary Resettlement and Economic Displacement*. Involuntary resettlement refers both to **physical displacement**, i.e. relocation or loss of shelter, and **economic displacement**, i.e. loss of assets or access to assets that leads to loss of income sources or other means of livelihood, as a result of Project-related land acquisition and/or restriction on land use.

The LARF serves as a basis for the development of a detailed Plan for the Project. Paragraph 26 of the EBRD’s PR5 states that *in the case of transactions that involve the physical displacement of people, the client will develop a Resettlement Action Plan (RAP)*. Paragraph 36 states that *in the case of transactions involving economic displacement only, the client will develop and implement a Livelihoods Restoration Plan (LRP)* to establish the entitlements of affected persons.

At this stage, no involuntary resettlement i.e. physical displacement of residential properties (in this case, winter herder camps) is anticipated. However, should any change to the design or construction processes warrant the requirement for physical displacement, a RAP will be required. The Project will affect land uses (State land, land under mining concessions and land used as pasture) as well as, potentially, herder groundwater wells, depending on the final design. As such, it is likely that a LRP will be required at the next stage; The detailed LRP/RAP will provide more precise details on Project Displaced Persons (PDPs), the eligibility criteria and the entitlement and compensation procedures to be applied for the Project in line with this LARF and in compliance with EBRD PR5.

1.3. Objectives of the LARF

The objectives of this LARF are to:

- Identify potential Project impacts in accordance with EBRD PR5, including potential disproportionate impacts on women and vulnerable persons or households;

- Define the overarching principles, procedures and entitlements framework to address potential impacts of Project land requirements;
- Provide guidance to bridge any gaps between the national legislation and EBRD requirements;
- Present an eligibility criteria and compensation entitlements matrix according to different types of impact;
- Identify the needs of PDPs, including vulnerable people;
- Establish criteria for the requirements of a RAP/LRP;
- Define the engagement process with PDPs, and grievance mechanism related to land clearance and, where applicable, acquisition;
- Define monitoring and reporting requirements; and
- Identify future actions and responsibilities for the preparation of a RAP/LRP.

1.4. Responsibilities

For the Project, land will be required permanently for the footprint of the Project. In accordance with the legislation, a Right of Way (RoW) of 25 m either side of the OHTL centreline, and a 25 m radius around the substations, is required.

The land acquisition process for permanent land requirements, or temporary land requirements where involuntary displacement could occur, is the responsibility of the Client, or their Technical Consultant. The Client, or their Technical Consultant, will therefore be responsible for preparing a detailed RAP (for any winter camp displacement) or a LRP (for any economic displacement and livelihood restoration requirements), supported by the Project Implementation Unit (PIU).

It is expected that the Construction Contractor will select land required for temporary construction purposes outside the 25 m RoW on the basis of negotiated agreements with the land owner (i.e. willing-buyer-willing-seller basis), therefore avoiding the need for any involuntary displacement. However, if this is not possible, as above, any temporary land acquisition that results in involuntary displacement will be the responsibility of the Client, or their Technical Consultant. It will therefore be important for the Construction Contractor to raise any such land issues with the Client at the earliest stage of the Project.

1.5. Content of the LARF

This LARF is set out as follows:

- Section 2: Project description. Summary of the Project.
- Section 3: Legal framework. Summary of the legal texts and EBRD requirements in relation to land acquisition.
- Section 4: Project land uses and socio-economic conditions. Summary of the land uses within and adjacent the Project footprint and the baseline socio-economic conditions in the Project Area.
- Section 5: Requirements and impacts. Summarises the land requirements for the Project and the potential physical and economic displacement impacts that could occur.
- Section 6: Framework for compensation and livelihood restoration. Provides the framework eligibility and entitlements matrix and approach required to develop a RAP or LRP, including future engagement requirements, survey work and development of compensation packages.
- Section 7: Grievance Mechanism. Sets out the proposed grievance mechanism for land requirement grievances.
- Section 8: Monitoring, evaluation and reporting. Sets out proposed measures for monitoring and evaluating the land acquisition/clearance process and reporting on performance.
- Section 9: Organisational arrangements. Summarises the key roles and responsibilities of the main agencies in implementing the LARF and a checklist of future actions.

2. Project Description

2.1. Introduction

This Chapter provides a description of the Project and its context in the wider Energy Strategy of Mongolia. It is primarily based on a Feasibility Study (FS) prepared by the Ministry of Energy in 2013¹ which looked at a wider transmission project, the Choir-Sainshand-Zamyn Uud transmission line and necessary substations, of which the proposed Project is a significant part; and updates from the technical review of the FS by the EBRD Technical Consultants, Mercados Aries International.²

2.2. Project Context

The Choir-Sainshand OHTL has been identified as the top priority project from the Ministry of Energy (MoE). The Project has been on the Government's Action Plan since 2008 and the approved State Policy on Energy for 2015-2030 has outlined the priority areas and strategic goals for Mongolian power sector that can be divided into three main groups aimed at improvement of efficiency, safety, and environment protection. Among the goals to be achieved are the following:

- Support innovation and advanced technology in energy sector, and implement conservation policy;
- Ensure energy safety and reliable supply;
- Develop mutually beneficial cooperation with regional countries; and
- Increase the production share of renewables and reduce negative environmental impact from traditional power generation and greenhouse gases.

The Policy envisages an increase of renewable energies share in generation up to 30% during 2024-2030. Rich in renewable energy resources, Mongolia has a viable alternative to coal-based power plants, which currently represent around 96% of the country's power generation pool. The role of a developed, stable and safe Transmission Grid in the achievement of these goals is crucial and the existing transmission network has to be updated in order to meet the challenges of the power sector modernization, as the Mongolian transmission network currently suffers from underinvestment with old and inefficient infrastructure and limited capacity to absorb additional power from new sources, especially Variable Renewable Energy (VRE) sources like Photovoltaic (PV) and Wind power plants.

2.3. The Project

The location of the Project is shown in Figures 2-1 to 2-3. The Project starts at an existing substation in Choir (297069 E; 5134973 N), in the main city of Govi-Sumber *aimag* (province). The OHTL will run from this substation in a south-east direction to finish at a new 220/110/35 kV substation approximately 2.5 km north of the existing substation in the city of Sainshand (436771 E; 4975142 N), the capital of Dornogovi *aimag*. The new 220/110/35 kV substation is located alongside the existing substation in Sainshand, 436714 E; 4975162 N.

In general, the OHTL route is sparsely populated and has vegetation characteristics of the Gobi Desert. The OHTL will run in the vicinity of the settlements of Sumber and Shiveegovi *soums* (districts) in Govi-Sumber *aimag* and Dalanjargalan, Airag, Saikhandulaan, Altanshiree and Sainshand *soums* in Dornogovi *aimag*.

The Trans-Mongolia railway runs between the cities of Choir and Sainshand to the east of the OHTL. There is an existing 110 kV OHTL which follows the road between Choir and Sainshand. There are also 35 kV distribution lines within the settlements along the road between Choir and Sainshand, and in Choir and Sainshand cities. Shivee-Ovoo coal mine, approximately 11 km to the north west of the OHTL in Shivee-Govi *soum* in Govi-Sumber *aimag*, is one of the key coal suppliers to the central economic zone of Mongolia. The nearest national park is Choiriin Bogd Mountain, approximately 27 km to the north-east. Ikh Nart, also a national park and an Important Bird Area (IBA), is approximately 10 km south-west of the OHTL route, in Dalanjargalan *soum* of Dornogovi *aimag*.

¹ Ministry of Energy 2013. *Choir-Sainshand-Zamyn-Uud 220 kV Overhead Transmission Line Feasibility Study*.

² Mercados Aries International (22 May 2020), *Project Preparation Study for the Construction of the CHOIR-SAINSHAND Transmission Line, Mongolia – Inception Report*; and Mercados Aries International (30 September 2020), *Project Preparation Study for the Construction of the CHOIR-SAINSHAND Transmission Line, Mongolia – 2nd Interim Progress Report*

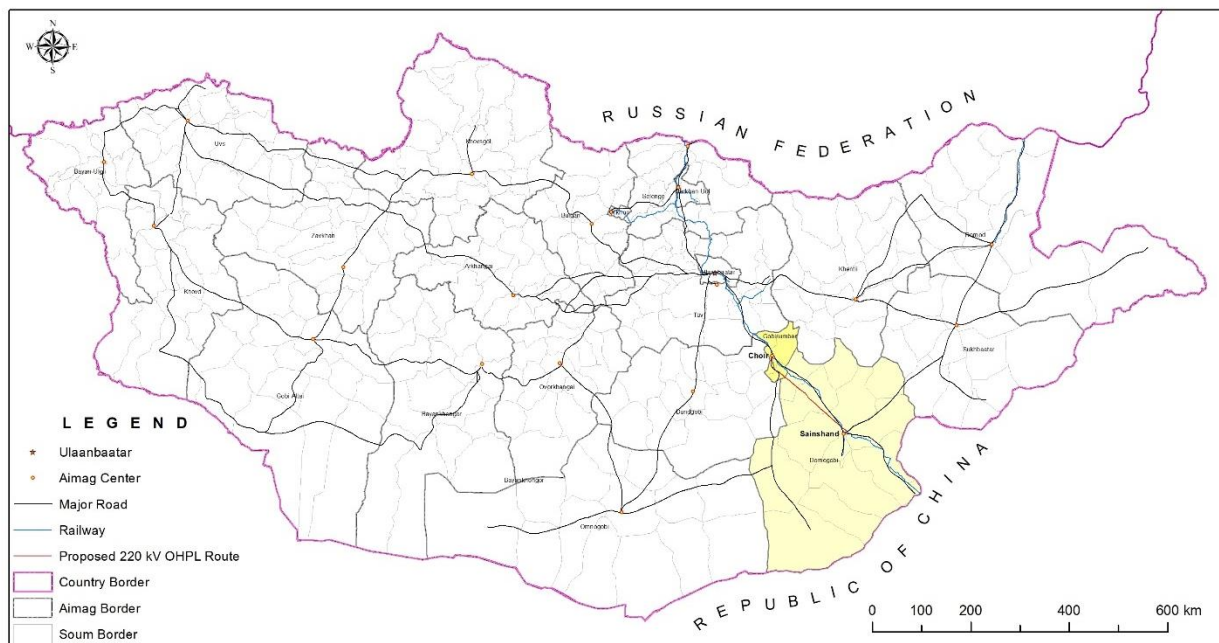


Figure 2-1. Project location

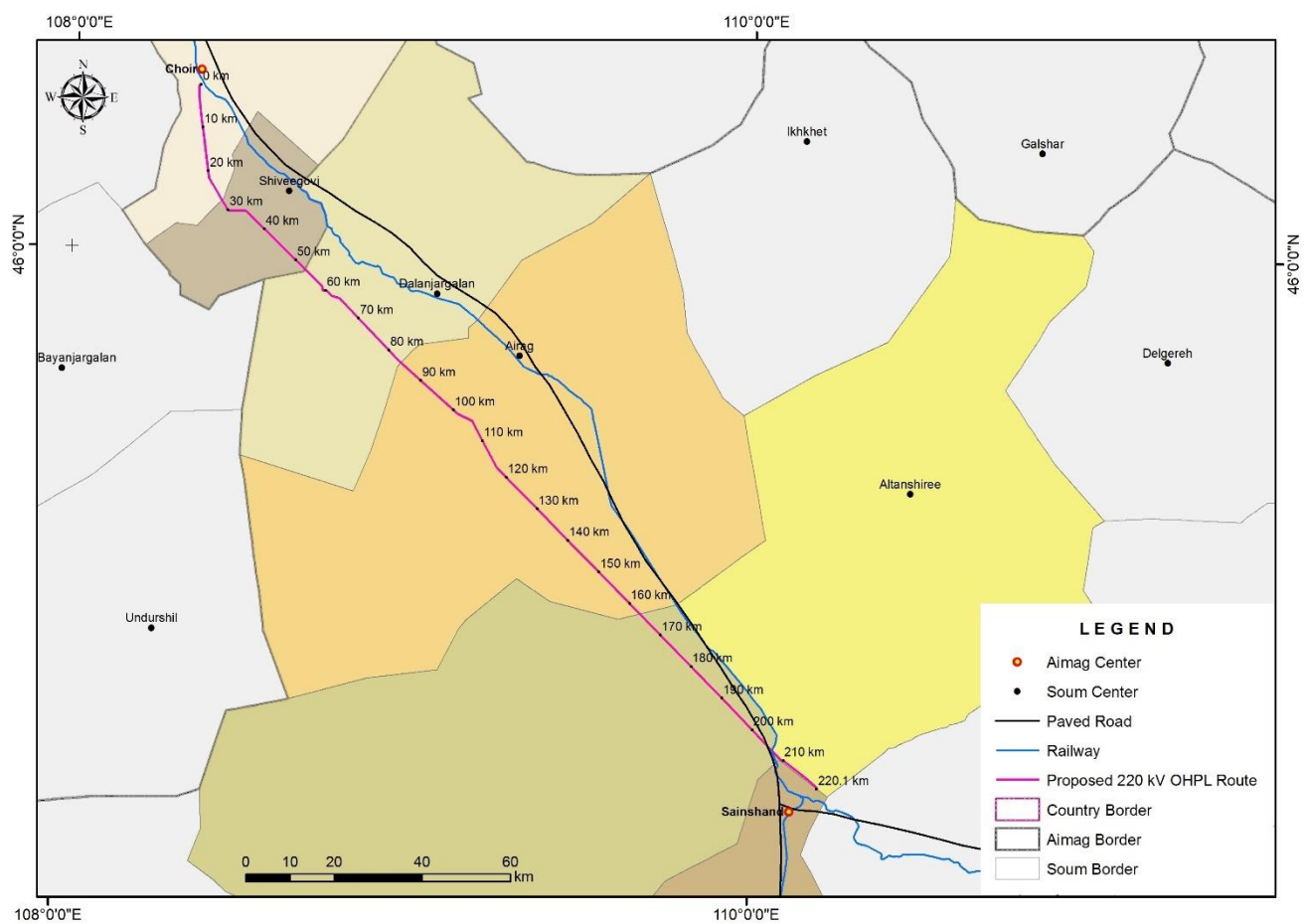


Figure 2-2. Project aimags and soums



2.4. Project Need

Overall, the main challenges facing the Mongolian energy sector are:

- Domestic capacity shortage for generating electricity;
- Lack of investment to implement needed power generation and transmission network maintenance and expansion;
- Uncertainty in energy sector investment;
- Lower efficiency of the aging power supply infrastructure; and
- Higher loss of electricity transmission network.³

The existing power transmission and distribution infrastructure in Mongolia is characterised by aged infrastructure, is inefficient and unreliable with major losses along transmission lines and is in urgent need of rehabilitation and upgrade.⁴

Reliable and safe energy supply is one of the three main priorities of the Mongolia's State Energy Policy, 2015. The Project is one of the projects identified by the Mongolian Government to extend the power transmission network to meet the growing electricity demand in the south-east region of the country.

2.5. Proposed Works

The Project comprises the following main components:¹

- **Transmission line.** 220.2 km 220 kV double circuit overhead line will be constructed between the planned new substation in Sainshand and the existing substation in Choir. The OHTL will use LGJ-400/50 conductor wires and optical ground wire, OPGW-09A4 for lightning protection and system operation. This circuit will have no tee off connections at any point and will help to improve availability within Choir and Sainshand.
- **Pylons.** The double circuit OHTL will be supported by a combination of twin steel poles in a portal formation with lattice towers where longer spans are required. It is planned that a total of 663 pylons will be used, using five different types of pylon (P220-2, Y220-2, Y220-2+5, Y220-2+9, Y220-2+14). The P220-2 intermediate poles and Y220-2 anchor poles will be predominantly used (Figure 2-4). Optimisation of the overhead line design, to be undertaken by the Construction Contractor, may identify other areas where lattice towers could be employed. (Figure 2-5).

³ Ministry of Energy 2018. *Energy Sector of Mongolia, Country Report*.

⁴ ADB 2018. *Ulaanbaatar Air Quality Improvement Program* (PRP MON 51199, Sector Assessment: Energy).

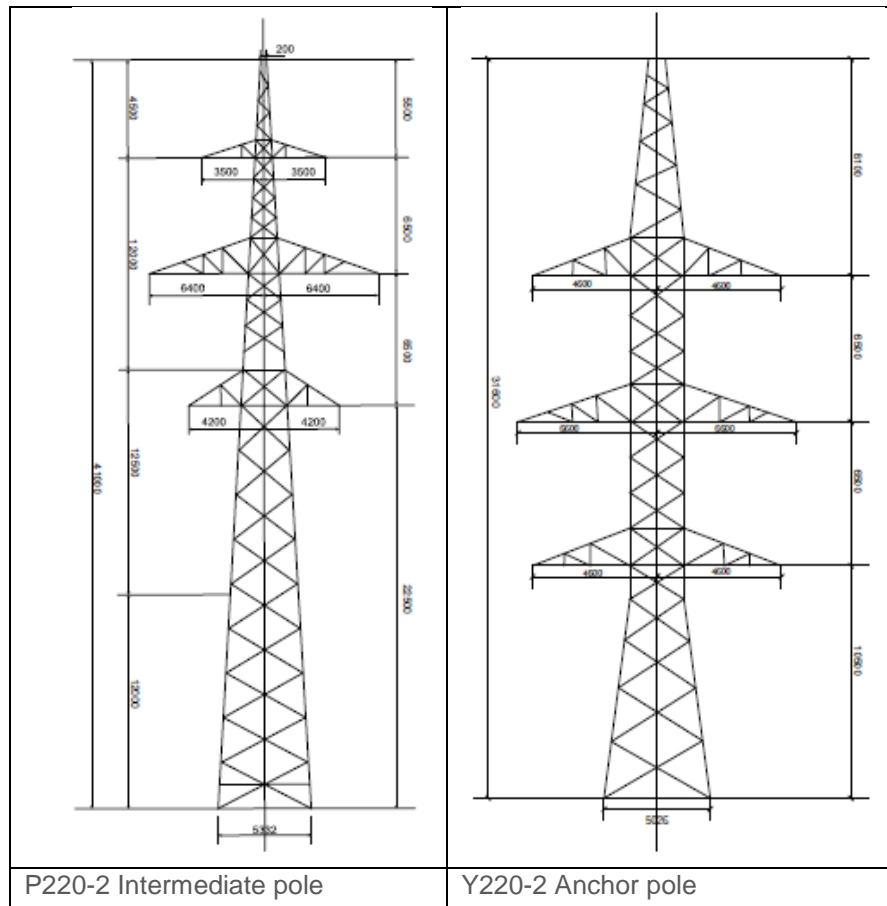


Figure 2-4. Main types of pylons to be used for the Project

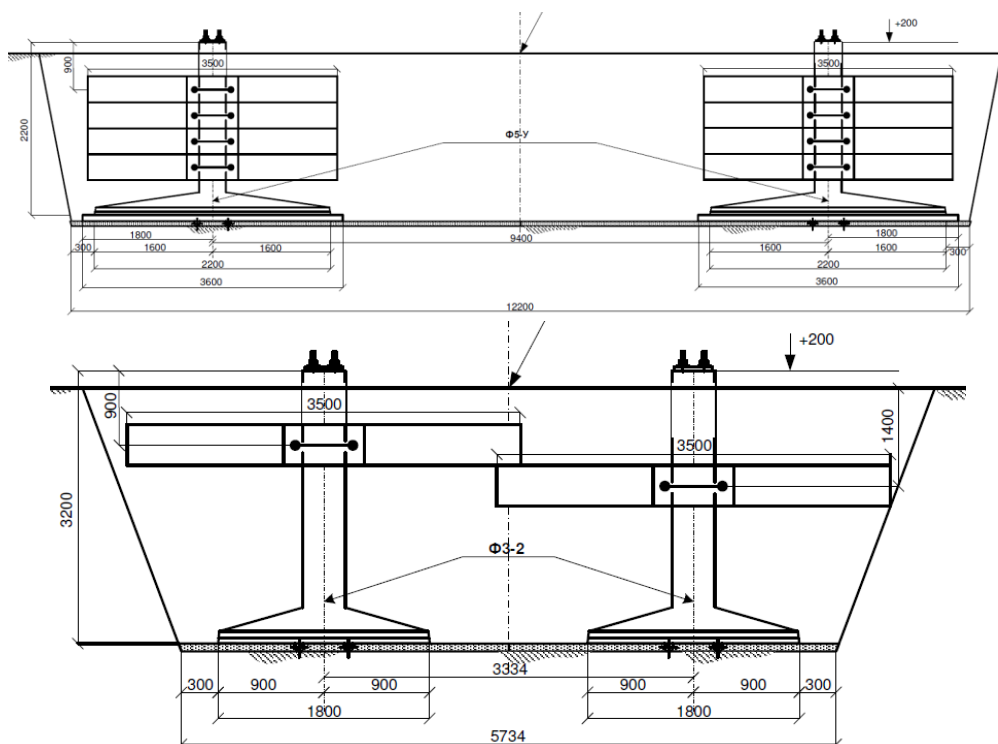


Figure 2-5. Foundations of Y220-2 Anchor pole (top) and P220-2 Intermediate poles (bottom)

- **Substation.** Extension of 220 kV Choir substation. A new 220/110/35 kV substation will be built in Sainshand as part of the Project (Figure 2-6). The Sainshand substation characteristics and facilities are as follows⁵:
 - Two set of 220/110/35 kV autotransformers with 200 mega volt ampere (MVA) capacity;
 - 220 kV distribution equipment;
 - 110 kV distribution equipment;
 - 35 kV distribution equipment;
 - Transformer for internal use;
 - 0.4 kV distribution equipment;
 - Direct Current system;
 - Cables;
 - Lighting;
 - Lightning rod;
 - Control system;
 - Relay and automation system;
 - Security camera;
 - System for protecting natural disaster; and
 - Communications system.

The land for planned substation in Sainshand has already been agreed with the Sainshand *soum* land authority.

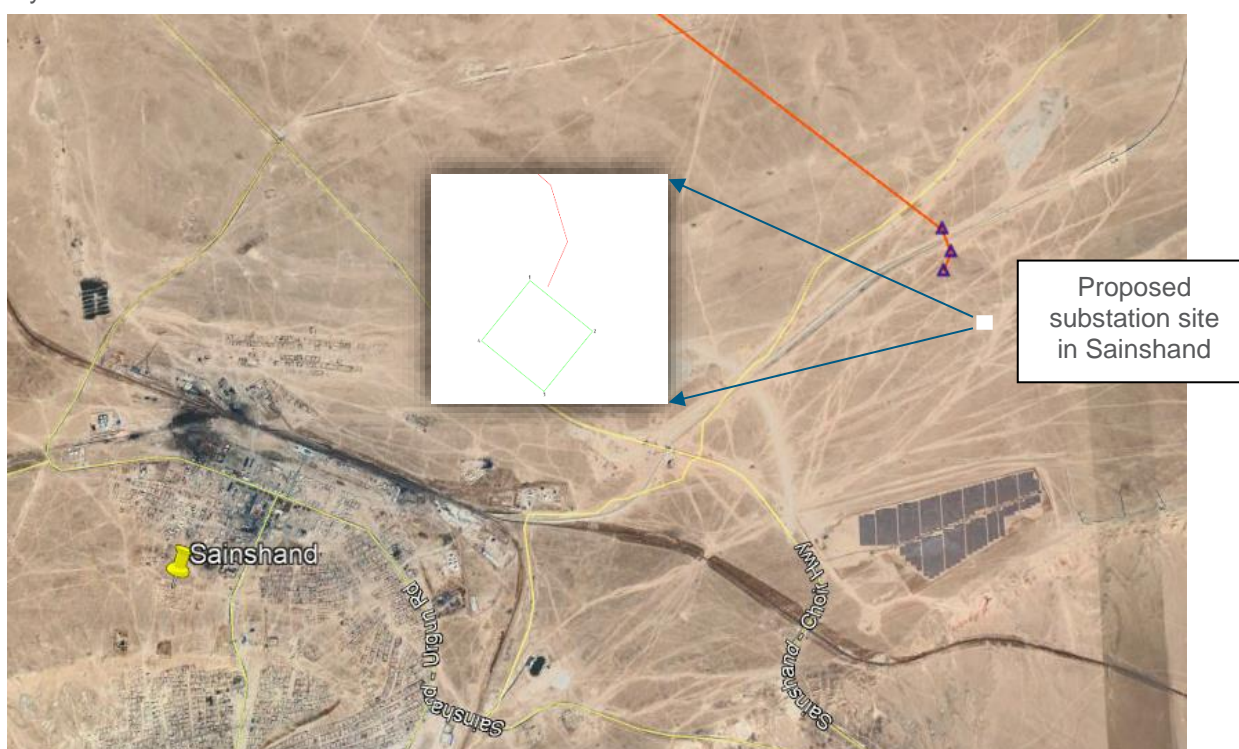


Figure 2-6. Location of Sainshand substation

2.6. Establishment of the Right of Way

The Mongolian Law on Energy of 2001 (the Law of Energy) and Mongolian Government Resolution No. 97 of 18 March 2020, stipulates the establishment of protection zones or Right of Way (RoW) for transmission lines.

⁵ Ministry of Energy, 2013. *Choir-Sainshand-Zamyn-Uud 220 kV Overhead Transmission Line Feasibility Study*.

The Resolution sets out specific RoWs, which stipulates that the requirements for 220 kV lines are 25 m from the centreline in rural areas and 6 m in urban areas; and 25 m radius around substations.

Any activities that may interrupt energy transmission are prohibited within the RoW. This includes prohibition of infrastructure development within the RoW and any activities in the RoW area will require approval from the powerline owner. No trees and any agricultural plantation are allowed within 25 m surrounding substations or any power distribution infrastructure. Further details are provided in Section 3.3.1.

2.7. Design optimisation

The proposed line of the OHTL is shown in Figures 2-2 and 2-3 above. The final position of the individual tower structures will be determined by the Construction Contractor, based on factors such as ground conditions, elevation, and distance between pylons. The Construction Contractor will need to undertake a detailed topographic and geotechnical survey of the ROW and substation sites to inform this micro-siting exercise.

Tower spotting will need to take place; this refers to the determination of individual sites for the installation of the pylons and will rely on the results of the above surveys. Minor adjustments may be needed to account for local conditions including siting to avoid impacts on PDPs; or where this is not possible, sited to minimise impacts.

2.8. Ancillary Facilities

During construction, access to all tower locations will be necessary to perform the civil works, structure erection and stringing of conductors and shield wires. These routes will be determined by the Construction Contractor; however, they will be obliged to use existing roads as much as possible to minimise the impact of the works. Where possible, the OHTL corridor will be used for haulage. Existing secondary roads will be used to access the corridor however, it is likely that new roads will need to be built to support the traffic of Heavy Goods Vehicles (HGVs) to carry materials (structures, cable drums and others), equipment and personnel to site. These roads will be temporary and designed for light traffic.

The roads can be constructed as temporary (for construction phase only) or permanent roads (construction and operation phases). They would be such to permit double transmission loaded vehicles. Any temporary roads would be restored to the original condition after the end of the works; permanent roads would remain open until decommissioning.

In every case the construction of new access roads shall be avoided as much as possible. The use of existing roads is mandatory wherever possible. The Contractor shall adapt the existing ones to the project needs and restore them to the initial condition or an improved one at the end of the works, improving in this way the life of the residents of the area.

The requirement for and location of any borrow pits or quarries is not currently known and would be determined by the Construction Contractor.

During construction, the Construction Contractor will need to install site facilities to support the construction activities: Site Offices, storage areas, worker accommodation, parking areas, etc. Whilst this will be determined by the Construction Contractor and therefore details are not currently available, it is likely that this will comprise a main camp in an intermediate point of the line route. Secondary camp(s) may be installed within the two subsections. These secondary camps will be smaller and will be installed just during the period in which the close jobs are done. As an indicative number, one secondary camp per 100 km of route is a standard procedure, therefore a maximum of two or three camps are expected.

2.9. Project Phases

The Project phases are summarised in Table 2-1.

Table 2-1. Project phases and activities

Project phase	Project activities
Pre-construction	<ul style="list-style-type: none"> Line route and substation survey (detailed topographic and geotechnical survey) and design optimisation Preparation and submission of national EIA Establishment of a RoW and implementation of a Livelihoods Restoration Plan Clearing of access tracks - where possible, access to the site will be along the new RoW; however, it is likely that several temporary access tracks will be required along the route. Typical machinery required is a bulldozer.

Project phase	Project activities
	<ul style="list-style-type: none"> Vegetation clearance of the substation site
Construction and commissioning	<ul style="list-style-type: none"> Establishment of site storage areas/compounds Transportation of equipment and workers to site Temporary power generation, if required Civil works and installation of substation Levelling and excavation of pole and tower foundations - topsoil will be stripped from areas of excavation prior to any further excavation which may be required. In most of the cases excavation will be mechanical, using excavators. Manual excavation will be performed where mechanical excavation is not possible. Concrete works will be undertaken following placement of the reinforced steel. The proposed pole/tower base areas will be levelled; where possible, backfilling will be undertaken using the excavated materials using hand tools, to level the site to design levels. Compaction works will be undertaken using small compacting machines due to the small dimensions of the compaction area. Erection of towers/poles - The towers/poles will have concrete footings with foundation depth of 2.2-3.2 m and widths of 12.2-5.7m or more depending on the nature of soils at the selected tower spots. The towers will be erected using small derricks, pulleys, winches and ropes or alternatively, if the site accessibility allows that, using mobile cranes. Vegetation clearance of the RoW - prior to stringing works, the RoW will be cleared of trees and vegetation that might interfere with the construction of the line. Trees out of the ROW that might interfere with the line will be also cleared or trimmed. These works are undertaken using mechanical saws and light tools. Stringing of lines - once the towers/poles are erected, the conductors and shield wires will be strung and appropriately 'tensioned' to provide the minimum clearance between ground level and the wires. In most cases, conductors will be strung by manual labour and are performed by line sections. For each section, the stringing machine (tensioner and puller) should be positioned at the beginning and end of the section and conductor drums on supporters positioned at one of the ends. Waste management - the major waste stream will be the disposal of surplus spoil from the pylon sites. Other wastes will comprise general domestic waste including sanitary and food waste, organic material, small volumes of wastes arising from mobile plant, chiefly waste lubricating oil and packing materials. Testing and first operation of equipment - Once the poles/towers have been erected and the lines strung, tests and measurements will be carried out to ensure that the line performs as expected. Minimum distances such as clearance between the lines and the ground level shall be checked and the lines shall be 'tensioned' as per specifications.
Operation	<p>Operation and maintenance of equipment based on accepted international standards and in accordance with national legislation and practices as set out by the Mongolian Ministry of Energy. The main activities to be carried out during the operation of the Project include operation of the substations, surveillance of the condition of the overhead lines, towers and RoW; routine, planned and emergency maintenance and repairs; and vegetation control.</p> <ul style="list-style-type: none"> Routine maintenance – to ensure the integrity and safety of the transmission line. This will include: <ul style="list-style-type: none"> Foot patrol. Routine physical examination of the line and its component parts to ensure safety, security and integrity of the line. Security patrol. To check on segments of the line close to populated areas for signs of vandalism, branches of trees interfering with lines, tampering, and general security of the lines. This should ensure early detection of and rapid response to acts of vandalism and to rectify such situations as promptly as possible; and Pole/tower auditing and repairs. Annually 10% of all towers should be thoroughly examined. Detection and tightening of loose bolts on supports and hardware can reduce premature wear and indicate for replacement of worn components before failure. Planned maintenance - scheduled maintenance programmes that should be carried out on the overhead lines in accordance with manufacturer equipment specifications or due to the need to repair equipment. Some of the activities carried out under planned maintenance will include:

Project phase	Project activities
	<ul style="list-style-type: none"> ○ Replacement – insulation of sections of the overhead line; ○ Treatment of rust and re-painting of tower components; ○ Replacement of conventional bolts and nuts with anti-theft fasteners on older line sections; ○ Rehabilitation of access roads and tracks; and ○ Inspection and maintenance of switchgears, protection systems, etc. • Emergency maintenance - activities relating to correction of unplanned events. This could include spectrum of minor faults (e.g. insulator failure) to major defects such as tower failures. • Vegetation control and biodiversity (bird fatality) monitoring. • Waste management.
Decommissioning	<ul style="list-style-type: none"> • Removal of equipment and structures.

3. Legal Framework

3.1. Introduction

During its transition to democracy in the early 1990s, Mongolia established a new legal framework into which property law was incorporated. It has subsequently been amended with the most current framework dated 2 May 2019. The 1992 Constitution provides for the rights of fair acquisition, possession, and inheritance of movable and immovable property. The Government of Mongolia retains the right of eminent domain, prohibits ownership of land by foreign citizens, and expressly prohibits ownership of pastureland.

The national legal framework relating to land acquisition and resettlement is articulated in multiple legislation, the most important being the Constitution and the Law of Mongolia on Land (henceforth, "Land Law"). Other key legislation, such as the Law on Land Fee and laws related to compulsory expropriation are contained within the Land Law. Also germane to this Project is customary land use rights with respect to herders' use of and rights to pastureland, the Law on Allocation to Mongolian Citizens of Land for Ownership, the Civil Code and the Law on Special Protected Areas.

In addition to land legislation, other key legislation plays a role in the treatment of land used for the Project. They include energy laws, most notably the Law on Energy, and the its companion Government Resolution #97, which prescribes the right of way (RoW) boundaries in determining whether certain land structures would be affected by the Project. Finally, because the Project crosses numerous mining licensed areas, mining legislation on the rights to mining concessionaires requires consideration.

3.2. Land, Land Use and Expropriation

Since the early 1990s, the Mongolian Government has enacted numerous laws on land tenure. Several of the laws below have been amended more than once. The 2003 Law on Allocation of Land to Mongolian Citizens for Ownership has been amended five times (in 2005, 2008, 2010, 2011, and 2012). This has given rise to inconsistencies in the law particularly regarding the status of foreign ownership.⁶ The 2002 Law on Land, the overarching legislation regulating land was amended in 2019 but not the Law on Allocation of Land for Mongolian Citizens for Ownership. Therefore, inconsistencies between the two pieces of legislation may exist but none have been identified to date.

3.2.1. Mongolian Constitution, 1992

Under the Mongolian Constitution, 1992 all land, except that given to the citizens of Mongolia for private ownership, subsoil, natural resources and water are the property of the State. The Constitution allows the State to grant ownership of land to Mongolian citizens, but they shall not transfer such land to foreign entities. Land may be leased to foreign entities.

3.2.2. Law on Land (in force on 1 January 2003; amended 2 May 2019)

This law regulates the 'ownership', 'possession' and 'use' of land. The following definitions are important in the context of the law:

- Land includes the surface of land and airspace above it.
- The 'ownership' of land means to have control over land and a right to dispose of it.
- The 'possession' of land means to have control over land in accordance with a contract (the possession certificate⁷) that sets out the permitted use and other terms of possession.
- The 'use of land' means the right to undertake legitimate and concrete activity on a land parcel to utilise some of the useful characteristics of the land in accordance with a contract granted by those who 'own' or 'possess' the land.

Land must be monitored, protected, restored and used efficiently for its permitted use. Any activities that may cause damage to human health; nature and ecological balance; or national security are prohibited. Foreign

⁶ World Bank. 2015. Land Administration and Management in Ulaanbaatar, International Bank for Reconstruction and Development, p. 26.

⁷ A 'land possession certificate' means a document certifying the land possession right of a citizen, business entity or organization of Mongolia (Law on land, 3.1.7).

countries, international organisations, legal entities and citizens may become users of land for a specific purpose and a specific time period subject to contract conditions and in compliance with the law.

According to Article 3 of the Law on Land there are three main categories of land rights, including ownership, possession, and usage:

- Article 3.1.2 establishes **private ownership of land** for Mongolian citizens without time limits (comparable to freehold). Land ownership rights can be granted on special terms to Mongolian citizens only, but not to legal entities. Land ownership rights can be transferred and sold only among Mongolian citizens based on an approval of the land authority. Furthermore, as provided under Article 6.2 of the Constitution of Mongolia, all lands, except those owned by Mongolian citizens, are owned by the State of Mongolia. Hence, Mongolian and foreign legal entities cannot own land.
- Article 3.1.3 defines **‘to possess land’** as being in legitimate control of the land in accordance with the purpose of its use and any terms and conditions specified in respective contracts (persons with this right can apply for the right of ownership). This regime is comparable to leasehold. In this case, the state retains ownership of the land. Possession may be limited in time (15 to 60 years), with possible extensions up to 40 years. Only Mongolian citizens and legal entities may possess land, and size limits apply for specific uses. Contracts for possession must be registered in the national registry. In accordance with the Land Law, the holder of a land possession right can allow a third-party to use the whole or part of the land held under its possession, transfer it to a third-party with approval of the local governor and only pledge the land possession right as security to Mongolian citizens and legal entities without foreign investment.
- Article 3.1.4 defines **‘to use land’** as to undertake a legitimate and concrete activity to make use of some of the land’s characteristics in accordance with contracts made with owners or possessors of land. Land use rights can be given to Mongolian citizens or foreign nationals and foreign legal entities (i.e., companies with more than 25% ownership by foreign individuals or legal entities), for five years and are renewable for five years at a time. As provided under the Land Law, land use right cannot be transferred to any third-party or pledged as a security.

The Law of Mongolia on Land also addresses land use planning and expropriation.

The Ministry of Construction and Urban Development has the power to implement legislation and policy on land use and to determine land use classifications subject to government approval. Citizens’ Representatives Khurals (CRKhs) and Governors of *aimags*, the Capital City, *soums* and districts have powers to:

- Enforce land legislation and ratify general land management plans;
- Take land from citizens for the special needs of *aimags*, the capital city and *soums* on submission of such proposals by corresponding level governors; and
- Determine the size and boundaries of land to be taken from Citizens and approve the use of such land; and
- make decisions on granting compensation in respect of land taken.

Governors of *aimags*, the capital city, *soums* and districts have the following powers with respect to land issues:

- To enforce land use laws;
- To prepare land use management plans;
- To submit to CRKhs proposals regarding taking land for special needs, upon prior agreement with the possessor of the land and the governor of the corresponding level;
- To evict people from land if they cause significant land degradation; and
- To override land use decisions made by lower level governors if there is a legal ground.

Soum and District Governors have the power to grant rights to citizens to use and possess land in accordance with annual land management plans approved by CRKhs. CRKhs and Governors of *baghs* and *khoroos* have powers to regulate and protect common tenure land. Governors of *baghs* and *khoroos* have the powers to enforce land use and land protection legislation including the implementation of decisions of higher-level authorities. A separate Law on Land Fees imposes fees on the possession and use of land (1 July 1997).

A 2015 World Bank publication noted that the lower tiers of government have wide discretion in allocating land in rural areas, which makes the issuance of possession and ownership certificates subject to politics and

corruption.⁸ Persons who informally obtained land from 1992 to 2011 are able to bypass new regulations enforcing formal land procedures only. For instance, some individuals with influence obtained desirable land plots through informal procedures, and despite a code enacted in 2012 prohibiting ownership of informally acquired land holdings, these individuals are exempt from the code because they resided on their plots prior to 2012.⁹

The 2 May 2019 amendment resulted in Article 33.7 being added to the law:

“Within 15 working days after the authorized person makes a decision on land possession or use, such information shall be entered into the joint database specified in Article 9.11 of the General Law on State Registration.”

3.2.3. Law on Land Fee (in force on 1 July 1997 and amended on 2 May 2019)

This law regulates the relations concerning the imposition of fees for the possession and use of state-owned land for citizens, business entities and organizations as well as the payment of such fees to budget.

3.2.4. Law on Allocation of Land to Mongolian Citizens for Ownership, 2003

The purpose of this law is to govern the *allocation of land to citizens for ownership and related issues arising out of such allocation*; including, for example, size of land to be allocated, grounds for determining the value of land to be allocated, tax on land, rights and duties of citizens who acquire land for ownership, certifying rights of citizens to own land, expropriation of land owned by citizens, and filing complaints and resolution. According to this law, land shall be allocated to citizens for the following purposes:

- For family needs; or
- For agricultural purposes.

3.2.5. Civil Code of Mongolia, 2002

The Civil Code of Mongolia (2002) is applicable to land acquisition by an entity, insofar as it regulates transactions and contracts.

Chapter 10 of the Civil Code defines property and assets, including land and other immovable property. Chapter 11 details provisions for their possession by legal acquisition and Chapter 12 for property ownership by individuals and other legal persons. The Civil Code in Article 101 provides general terms for the possession, use and disposal of property (further elaborated in Articles 109 to 112), but refers to the subsequently enacted Land Law and Land Allocation Law with regard to land ownership and possession. A number of special provisions pertaining to common property ownership (Article 108), common property of family members (Articles 126 and 128) and easements (servitude) (Article 151) may be applicable to specific cases in any particular project. Central to a negotiated agreement on transfer of land are the stipulations regarding contracts in Chapter 15.

3.2.6. Law on Pastureland Management and Conservation, 2019

This Law is currently subject to final approvals. The law is expected to regulate the relationship that protects pastureland soil and the user rights thereof. The draft law specifies pastureland classification (common pasture area, reserved pasture area, shared pasture area and contracted pasture area) criteria on pasture usage, agreement conditions, rights and duties, information rights of herders, government organisations' mandates, and conflict resolution, among others. There are expected changes on current pasture management in the law that ensure livestock numbers are balanced with pastureland capacity, and that there is clear classification of pasture areas (State Great Khural 2019).

3.2.7. Customary Land Use

The state recognises customary law with respect to use rights to pastureland. Customary law consists of *“customs that are accepted as legal requirements or obligatory rules of conduct; practices and beliefs that are so vital and intrinsic a part of a social and economic system that they are treated as if they were laws”*.¹⁰ Customary law is applicable for the allocation of grazing rights between herder families and communities in Mongolia. Grazing rights may be acquired under customary law through:

⁸ Ibid, 2015.

⁹ Ibid. 2015.

¹⁰ Black's Law Dictionary, 2007.

- the use of land for generations;
- the ownership or construction of animal shelters;
- the possession of a well close to grazing land (see section 3.3 below);
- the possession of croplands close to grazing land; and
- inheritance through formal legal arrangements.

Under socialism, all land and livestock were owned by the state and the herders were state employees. Although livestock management was centrally planned, herders used traditional methods, such as pasture selection.

With the transition to the market economy and introduction of private property, herders could no longer draw salaries from the government for their herding activities and had to rely on themselves to generate income from livestock raising and sales. This has resulted in larger herds with increased numbers of goats, whose cashmere wool is especially profitable. This increase in herd numbers and types (predominance of goats) has resulted in overgrazing which in turn has reduced the quality of the pastureland, in general in Mongolia and in the Project Area. When grazing, goats pull plants out by their roots instead of cutting through the top layer as sheep and other livestock do, which leads to the destruction and loss of pastures.

Also, the transition to the market economic has resulted in the absence of a government body (such as, a public land authority) to replace the custodial stewardship of the pastureland performed by the herders and supported by the government. On transition to a market economy, the Government's priority was to enact a series of laws to shift the country towards a market-based land and property system. For the most part, these laws regulated tenure, allocation, expropriation and transactions associated with land and other immovable assets. Though public management of pasturelands was overlooked herders currently are able to maintain their nomadic lifestyle with few movement restrictions. The 2019 Law on Pastureland Management and Conservation (see section 3.2.6 above) seeks to regulate the relationship that protects pastureland soil and the user rights i.e. to encourage the rational use and protection of pasturelands.

3.3. Law on Water 2012

With regards to possession of a well, according to the Law on Water (2012), citizens and business entities have the right to use water in accordance with the legislation on the basis of water use permits and agreements of specific purpose and conditions. There are two classifications depending on the purpose of water use and consumption: the water user¹¹ and the water consumer¹². As indicated in the law, if water consumers (households) wish to obtain permission to consume water from a well, they need to submit a request to the *aimag* Environment Department containing information on the purpose and quantity of the water to be used, a copy of the land certificate (ownership, possession or use), and details of the well. The *aimag* Environment Department then registers the water consumer wells in a water database and issues a "well passport". According to the law, the right to possess and use water facilities and wells is granted for a period up to five years.

3.4. Energy Law (2001, amended 2017)

The primary statute to regulate energy generation, transmission, distribution, consumption and dispatching activities in Mongolia is the Energy Law, in force in 2001, amended in 2017.

The Energy Law provides the legal framework for the energy sector restructuring from being centrally planned to market-based. This Law introduced the independent energy regulator, the Energy Regulatory Authority, and vested powers and responsibilities to key institutions involved in managing and operating the energy sector. With the 2001 establishment of the Energy Regulatory Authority (Energy Regulatory Commission since 2012), energy regulation has been in place for almost two decades. The Energy Law aimed to create competition and increase private participation and investment. It defines the roles of the Government, and State in the provision of energy, and defines the powers conferred to the *aimags* and *soums*.

The Energy Law fixes the power of the Energy Regulatory Commission to grant, extend, and repeal licenses for (not full list): electricity and/or heat generation; electricity transmission networks, defined as a network of high

¹¹ "Water user" means a citizen, business entity or organization that uses water, aquatic environment and mineral water for production and services for profit (Article of 3.1.27, Law on Water, 2012)

¹² "Water consumer" means a consumer who uses water and aquatic environment for drinking, household and family needs, animal husbandry and agriculture without the purpose of making a profit (Article of 3.1.28, Law on Water, 2012)

voltage power lines and substations of 110kV and higher generating main network for the transmission of electricity, as well as other power lines and substations that are connected to the network or technically and technologically required to be part of the network; and electricity distribution networks, defined as power lines and substations of 110 kV or less for distribution of electricity coming from substations of electricity transmission network to the consumer equipment. This law also defines the rules for the development and implementation of tariffs and pricing structures from the power facility.

3.4.1. Energy Law and Mongolian Government Resolution No. 97

These two pieces of national legislation stipulate the establishment of protection zones, or RoW, for transmission lines and their technical details in Mongolia.

According to the Energy Law Section 33, electricity transmission lines and distribution network shall have right of way.¹³ The Energy Law did not specify the width of the RoW, but Governors of *aimags* and *soums* shall ensure the width of the RoW in accordance with transmission line safety rules, and are authorised to set the RoW in accordance with safety rules for transmission lines and the RoW by Government resolution.

The Mongolian Government Resolution #97 of 2020 determined the following RoWs for powerline transmission lines (see Table 3-1).¹⁴

Table 3-1. Right of Way specifications for powerline transmission in Mongolia

Powerline, kV	Unpopulated areas	Populated areas	Substation and distribution infrastructure	Forested areas and Parks
	Both sides of the outer line, m		Every direction, m	Both sides of the outer line, m
Up to 1 kV		1-1.5 m		
1 – 20 kV	10 m	2 m	10 m	2 m
35 kV	15 m	4 m	15 m	3 m
110 kV	20 m	5 m	20 m	3 m
220 kV	25 m	6 m	25 m	4 m
330 -500 kV	30 m	10 m	30 m	5 m

Any activities that may interrupt energy transmission is prohibited within the RoW. Infrastructure development (for example, cable laying or road crossing etc) within the RoW requires approval from the relevant authority responsible for powerline use authority. Electricity transmission lines passing over underground heat transmission pipelines will have at least 10 m vertical clearance to allow maintenance of the pipelines. No trees nor agricultural plantations are allowed within 25 m of substations or power distribution infrastructure. Owners of trees or shrubs planted or growing within the RoW will be obliged to move or cut them, if the former may possibly cause damage to the network or obstruct inspection or maintenance of the powerlines. Authorised personnel are permitted to enter and inspect facilities within the RoW. All costs associated with constructing a power line over privately-held land will be paid by the owner of the powerline.

In addition, Ministers Order No 7 of 10 January 2001 states that the construction and operation of powerlines are not prohibited in Locally Protected Areas (Annex 1).

For this Project with a 220 KV transmission line, the RoW is 25 m on both sides of the centreline in unpopulated areas and in every direction at substations. These requirements were reflected in the consultations with households residing in the rural land area between Choir and Sainshand; in addition, they were used as reference points in consultations with federal and *soum* authorities in the determination of anticipated social and environmental impacts.

3.4.2. Energy Procedures

Several procedures have also been developed and approved for regulating the energy sector, such as:

- Operational guidance for energy infrastructures and equipment. Approved by the Minister of Infrastructure Development. Order #125 of 06 June 2003.

¹³ Parliament of Mongolia. 2001. Law on Energy. Mongolia. <https://www.legalinfo.mn/law/details/60>

¹⁴ Government of Mongolia. 2020. Attachment #3 of Government Resolution #97. Mongolia. <https://www.legalinfo.mn/annex/details/10938?lawid=15260>

- Procedure for energy infrastructures and equipment installation and operation. Approved by order of the Minister for Energy. Order #87 of 10 November 2005.
- Safety Guidance for electrical infrastructure operation. Approved by the Minister for Energy. Order #101 of 22 August 2014.

3.5. Mining

The Project Area includes a number of mining concession licences. The following main laws and regulations regulate mining and exploration related activities in Mongolia.¹⁵ The relevant primary laws (as amended from time to time) are the:

- Minerals Law.
- Law of Mongolia on Prohibiting Mineral Exploration and Mining Operations at Headwaters of Rivers, Protected Zones of Water Reservoirs and Forested Areas of 16 July 2009.
- Law of Mongolia on Environmental Protection of 30 March 1995.

The relevant secondary laws are the:

- The Constitution of Mongolia of 13 January 1992.
- Law of Mongolia on Land of 7 June 2002.
- Law of Mongolia on Environmental Impact Assessment of 17 May 2012.
- Law of Mongolia on Commonly Distributed Minerals of 9 January 2014.
- Law of Mongolia on Nuclear Energy of 16 July 2009.
- Law of Mongolia on Protection of Cultural Heritage of 15 May 2014.
- Law of Mongolia on Subsoil of 29 November 1988.
- Law of Mongolia on Investment of 3 October 2013 (Investment Law).

The Mineral Resources and Petroleum Authority of Mongolia (MRPAM) grants mining and exploration licences and monitors the operations of licence holders. The registration of licences and licenced areas is maintained by MRPAM. Security over the licences is registered with the MRPAM and it may terminate licences based on grounds specified by law.

3.5.1. Ownership

In Mongolia, land right holders cannot explore or mine minerals beneath the ground. These activities can only be conducted by the relevant licence holders.

There are two types of mineral related licences:

- An exploration licence, under which the licence holder can explore minerals in a designated area.
- A mining licence, under which the licence holder can mine and extract minerals and keep the related benefits. Licences can only be held by legal entities that are registered in Mongolia.

The minerals underneath the ground are officially the property of the state. Once extracted in accordance with the applicable laws, title to the ore or minerals passes to the licence holder.

Under the Minerals Law, only legal entities incorporated in Mongolia (that is, resident taxpayers of Mongolia) are eligible to apply for and hold exploration and mining licenses.

3.5.2. Licence Terms

Exploration licences are granted for an initial three-year term and can be extended up to three times for additional three-year periods. The maximum period that an exploration licence can be held by a holder is 12 years from the date of initial issuance. Exploration licence holders must apply for an extension at least one month before the licence term is due to expire.

¹⁵ Mining in Mongolia: overview by Christopher Melville and Erdenedalai Odkhoo, Melville Erdenedalai LLP. Available at [https://uk.practicallaw.thomsonreuters.com/w-017-7372?transitionType=Default&contextData=\(sc.Default\)&firstPage=true&bhcp=1](https://uk.practicallaw.thomsonreuters.com/w-017-7372?transitionType=Default&contextData=(sc.Default)&firstPage=true&bhcp=1). Accessed July 2020.

Mining licences are granted for an initial term of 30 years and can be extended twice for additional 20-year period. MRPAM can decide whether to grant an extension depending on the minerals reserve. Licences for minerals with radioactivity are subject to a different regime. Mining licence holders must apply for their licence extension not less than two years prior to expiry.

3.5.3. Granting of Exploration Licence

Exploration licences are granted by way of tender organised by the MRPAM. Mining licences can be granted by way of tender or by request of an exploration licence holder.

3.6. Land Acquisition

As identified in Section 3.3.1 above, under law a RoW or protection zone can be set up by the NPTG. However, to secure this land, the NPTG must still obtain relevant letters from each *soum* and *aimag* to declare that the land has been provided for the Project.

Two *aimag* governments have allocated land for the Project to date. To date, the Sainshand *soum* land authority has agreed to the location of the substation in Sainshand. Currently, decisions are only awaited from Sumber and Shiveegovi *soum* Citizen's Representative *Khural*'s formal decision. The Citizens Representatives' Meeting of Shiveegovi *soum* has decided to allocate land for the Project and is now awaiting an official order (a hard copy of the permission). The Sumber *soum* Land office has approved the allocation of land for the Project and no order has been issued as the Citizens Representatives' Meeting has not yet convened due to reasons such as the parliamentary election. However, no issues are anticipated in obtaining the order.

It is understood that there are also eight mining concession licences within the OHTL route RoW (see Chapter 4 for details). The MoE will be required to liaise with the Mineral Resources and Petroleum Authority to resolve these land access issues. The Working Group identified that by law the Government has the authority to appropriate land for state special purpose uses.

3.7. Key Observations: Land Use and Land Acquisition

The following observations are made in relation to this Project:

- Existing laws recognise private ownership under either a freehold (ownership) or leasehold (possession) regimes. In practice, these tenure regimes are restricted to residential land, i.e. winter/spring shelters in the case of herders. Pastureland remains as state land. Private and communal usage rights over pastureland could in theory be formally recognised; however, this is rarely the case in practice.
- While all private rights to land must be registered, few actually are especially outside urban areas due to the relatively recent legislation and lack of awareness among many rural land rights holders.
- Apart from the general principles in the Constitution, there is a general lack in Mongolian law of specific provisions that apply to compensation and resettlement. Expropriation for public needs exists in Mongolian law but can only be triggered by the state or public bodies. Where it is used, and although some level of negotiation usually seems to take place, neither the valuation (at depreciated value rather than replacement cost) nor the treatment of informal users (evicted without compensation) follow international requirements.

3.8. EBRD Performance Requirements

EBRD PR5 sets out the EBRD's requirements in relation to involuntary resettlement, which refers both to physical displacement (relocation or loss of shelter) and economic displacement (loss of assets or resources, and/or loss of access to assets or resources that leads to loss of income sources or means of livelihood) as a result of project-related land acquisition and/or restrictions on land use; both temporary and permanent. PR5 also summarises out the required contents of a detailed Plan i.e. a RAP or LRP.

Displaced persons may be classified as persons: (i) who have formal legal rights to the land (including customary and traditional rights recognised under national laws); (ii) who do not have formal legal rights to land at the time of census, but who have a claim to land that is recognised or recognisable under national laws; or (iii) who have no recognisable legal right or claim to the land they occupy.

PR5 encourages Clients to acquire land rights through negotiated settlements even if they have the legal means to gain access to the land without the consent of the seller. Such negotiated settlements help avoid expropriation and can usually be achieved by providing fair and appropriate compensation and other incentives

or benefits to affected persons. However, where negotiated settlements are not possible and involuntary resettlement of the definition provided under PR5 is triggered, the following, of relevance to this Project, are required:

- Feasible alternative project designs to avoid or at least minimise physical and/or economic displacement, while balancing environmental, social, and economic costs and benefits, will be considered.
- From the earliest stages and through all resettlement activities the client will involve affected persons. The Project should provide the affected communities the opportunity to participate in negotiations based on the established procedures.
- Any individuals or groups that may be disadvantaged or vulnerable must be taken into account.
- Where involuntary resettlement is unavoidable, a census and a socio-economic baseline assessment within a defined affected area will be undertaken.
- In the absence of specific national government procedures, a cut-off date for eligibility will be established, which is often the date of completion of the above census and socio-economic survey.
- In the case of economic (but not physical) displacement the Project should develop procedures to offer to the affected persons and communities' compensation and other assistance that meet the objectives of the PR.
- A Livelihood Restoration Framework or Plan (LRP) will establish the entitlements of affected persons or communities and will ensure that these are provided in a transparent, consistent, and equitable manner. The procedures for determining and awarding compensation should be documented in a Plan.
- All displaced persons and communities will be offered compensation for loss of assets at full replacement cost and other assistance. Where livelihoods of displaced persons are land-based, or where land is collectively owned, where feasible, land-based compensation will be offered.
- The Project should summarise the information contained in the resettlement of livelihoods framework or plan for public disclosure to ensure that affected people understand the compensation procedures and know what to expect at the various stages of the Project (for example, when an offer will be made to them, how long they will have to respond, grievance procedures, legal procedures to be followed if negotiations fail).
- The Project should set up a Project-level grievance procedure to deal with concerns about compensation and relocation.
- Monitoring of the resettlement and livelihood restoration process will be carried out in accordance with PR 1 and should involve the participation of key stakeholders such as affected communities.

3.9. Comparison of Mongolia and EBRD Requirements

In summary, the following key gaps have been identified between EBRD PR5 and Mongolian legislation as recorded in Table 3-2 below.

In summary, there are several significant gaps between the Mongolian legal framework and EBRD PR5:

- Non-titled occupants of land are not eligible for compensation or livelihood restoration entitlements under Mongolian law;
- Compensation for land affected by the Project is calculated differently depending on the type of land ownership, although there is room for negotiation with individually displaced persons;
- A depreciation coefficient is applied in the valuation of affected structures;
- Income and livelihood restoration is not normally considered in local practices;
- Transaction costs are not included in local compensation payments;
- Requirement to identify vulnerable persons or anyone disproportionately affected is lacking;
- There are no grievance procedures preceding dispute resolution by the courts; and
- An eligibility cut-off date is not declared.

These gaps as relevant to the Project and the activities undertaken to date will be addressed by the Project, as outlined in subsequent sections of this LARF.

Table 3-2. Summary of gaps between Mongolian law and EBRD requirements

Land acquisition Issues	Provision of Mongolian Law	EBRD Requirements	Gaps and Actions Required
Expropriation	<p>Expropriation can only be undertaken by the State or its public bodies.</p> <p>Invoking eminent domain is only legally recognized when taking back land for special needs of the State including roads, lines and networks and other objects of national scale (Land Allocation Law, Articles 32 and 37; Land Law, Articles 42 and 43). This law applies to the permanent land required for the Project. Current practice by government in local scale projects entails a demand letter with threat of sanctions and offer of payment of compensation.</p> <p>The Laws do not cover temporary land requirements.</p>	<p>Expropriation should only be used as last resort.</p> <p>Expropriation can be used as one means to acquire land as long as appropriate safeguards are in place and guarantee compliance with all requirements of PR5.</p>	<p>Gap.</p> <p>Displaced person to be at least as well off as before the Project. Identification of livelihood restoration measures.</p> <p>For all temporary sites, wherever possible the Contractor will acquire these temporary land rights through negotiated and voluntary transactions. Where this is not possible, the temporary land required will be subject to EBRD PR5 requirements.</p> <p>Land agreements and/or permits will be obtained for temporary use of land, as applicable.</p>
Negotiated land acquisition	<p>The Civil Code of Mongolia provides the legal basis for land transaction contracts (Chapter 15, Articles 1, 6, 7, 8, 109 and 112, among others).</p>	<p>Negotiated settlement is encouraged.</p>	<p>Gap.</p> <p>Any negotiated settlements should provide fair and appropriate compensation and other incentives or benefits to displaced persons or communities.</p>
Eligibility	<p>Only registered owners, possessors or users of land are recognized.</p> <p>Licensed owners, possessors and users of land can transfer their titles to other legal persons recognized under the Land Law (Articles 35 and 38) and the Land Allocation Law (Article 27).</p> <p>Non-titled occupants of land as illegal possessors are not eligible to transfer the land occupied or receive compensation (Land Law, Article 27.4).</p> <p>The Civil Code recognizes the right of a long-term non-owner occupant of ownerless immovable property (incl. land) to own it after 15 years, if registered in the State register (104.2).</p> <p>Pastureland is deemed State land and usage rights over pastureland are typically not registered.</p>	<p>Eligibility includes those who have formal legal rights, recognized legal rights and no legal rights but who use or occupy the land or assets.</p>	<p>Gap.</p> <p>Eligibility needs to include un-registered land users, possessors and owners.</p>

Land acquisition Issues	Provision of Mongolian Law	EBRD Requirements	Gaps and Actions Required
Compensation for land	<p>Compensation may be based upon State rates for land and for structures it is theoretically based on depreciated value.</p> <p>Local practice applies the government land valuation tariff (Cabinet Resolution 103, 2003), though negotiation with displaced persons also occurs.</p> <p>Compensation tariff is at state rates for land.</p> <p>In real life, owned land is valued at market value, possessed land is valued at the state rates of land.</p>	<p>Compensation should be based on full replacement cost. Preference should be given to land-based compensation for impacts to land-based livelihoods.</p> <p>Measures incorporated to provide displaced people with legal assistance to enable them to complete administrative requirements prior to land acquisition and, if needed, to seek redress from the courts.</p>	<p>Gap.</p> <p>Compensation will be paid at full replacement cost. Compensation payments will be offered in kind as a first preference.</p> <p>Preferred compensation will be in-kind.</p> <p>Compensation will be provided before displacement or imposition of access restrictions.</p>
Compensation for structures	<p>Contractually agreed payment for transfer of structures located on land acquired.</p> <p>Property on land is valued based on Order No. 203 of 2016 of the Minister of Construction and Urban Development.¹⁶</p> <p>The value of structures is determined at market rates, with depreciation deducted from gross value of the structure.</p>	<p>Offer displaced persons choices among feasible resettlement options.</p> <p>Provide relocation assistance suited to the needs of each group of displaced persons, with particular attention paid to the needs of the poor and the vulnerable.</p> <p>Provide replacement property (for example, agricultural or commercial sites) of equal or greater value, or cash compensation at full replacement cost where appropriate.</p> <p>Alternative housing and/or cash compensation will be made available prior to relocation.</p> <p>Choice of replacement property of equal or higher value, or cash compensation at full replacement value where appropriate.</p>	<p>Gap.</p> <p>Project will compensate structures at replacement cost based on the definition in PR5 and as defined in this LARF.</p> <p>Support measures will be provided, if required</p> <p>Compensation will be provided before displacement.</p>
Compensation for economic displacement, Income and livelihood rehabilitation	<p>Economic displacement is not explicitly covered in Mongolian law. However, <i>ad hoc</i> in kind compensation measures may be provided on a case-by-case basis in practice.</p>	<p>Compensate economically displaced persons for loss of assets or access to assets prior to displacement.</p> <p>Assistance for livelihood restoration due to loss of land, assets, jobs, income and livelihoods.</p> <p>Provide additional targeted assistance (for example, credit facilities, training or job opportunities) and opportunities to restore, and where possible</p>	<p>Gap.</p> <p>Project will compensate for temporary and permanent economic displacement. Compensation should ensure that livelihoods of displaced persons are no worse than, and where possible, improved to pre-Project conditions.</p>

¹⁶ Available at: <https://mcud.gov.mn/ld/268>.

Land acquisition Issues	Provision of Mongolian Law	EBRD Requirements	Gaps and Actions Required
		improve, their income earning capacity, production levels and standards of living.	
Community and public resource losses	Affected community and public assets can be transferred through contractual agreement under the Civil Code. Pasturelands are considered common resources and as such are not eligible for compensation.	Impacts to livelihoods associated with loss of access to land or assets should be compensated. Compensation is due for affected communal resources. Negotiated settlements with relevant community organisations with respect to compensation for affected communal resources will be sought.	Gap. Project will seek negotiated settlements with relevant community organisations with respect to compensation for affected communal resources. Compensation for temporary loss of summer pasture will be incorporated into entitlements framework.
Relocation and transaction cost	Mongolian Law on State Registration of Property Allocation Rights and Other Related Rights requires payment of registration duties and service fees for the registration of immovable property with the State Administrative Authority in Charge of State Registration of Property Rights (article 9). All registration and other fees, as well as cost of relocation, are responsibility of parties to a contract and can be included in a contract.	Relocation and transfer expenses, including fees for registration and other administrative charges, are part of replacement costs for lost assets and compensation.	Gap. Project will incorporate all fees into compensation.
Livelihood Restoration	No specific provisions	Livelihood restoration measures required to restore or improve livelihoods of economically displaced households	Gap. Livelihood restoration measures will be incorporated into the entitlement framework.
Vulnerable people	No specific provisions for differential treatment of vulnerable groups or persons	Specific assistance to vulnerable people affected by displacement to the extent that their vulnerability changes the impact of the displacement upon them.	Gap. Identification of affected vulnerable households and identification of additional support measures as necessary.
Easements (property servitude)	Legal provision for easements or property servitude, allowing the use of another person's property for specific public or private purposes is permitted under local law; mutual agreement and payment of a fee are required (Civil Code, Article 151, Land Law, Article 48 and Land Allocation Law, Article 33).	Not specifically identified. No conflict with PR5.	No gap.

Land acquisition Issues	Provision of Mongolian Law	EBRD Requirements	Gaps and Actions Required
Cut off date	No specific provision.	A cut-off date must be stated and communicated, with the census of affected people conducted at this time. People who encroach on to project site after this time are not eligible for compensation.	Gap. A cut-off date will be set for eligibility for compensation.
Grievance procedure	The Land Law refers disputes over land to the governors of administrative units and eventually the courts (Article 60). This is also set out in the Law on Land Ownership. The Civil Code and Land Allocation Law refer various types of disputes to the courts.	An adequate grievance redress mechanism for displaced people is required.	Gap. A grievance mechanism will be established (as part of the Stakeholder Engagement Plan) accessible by affected parties.
Information disclosure and public consultation	The law on Environmental Impact Assessment refers that during the preparation of the report, the legal entity conducting the DEIA will organize community discussion to receive official comments from the project affected people and communities (Article 18). The Law on Allocation of Land to Mongolian Citizens requires private owners of land to be advised of land acquisition one year in advance of this occurring.	Project displaced persons are to be fully informed and closely consulted on compensation and resettlement options. Resettlement Action Plan must be disclosed where physical displacement occurs.	No gap.
Monitoring and evaluation	Responsibility of local government and Citizen's Assemblies.	Procedures to monitor and evaluate the implementation of resettlement plans must be established.	Gap. Project will establish an independent monitoring and evaluation process as defined in this LARF.

4. Project Land Uses and Socio-Economic Conditions

4.1. Introduction

Several studies informed the baseline conditions including the 2013 FS, environmental field studies, and social desktop and field studies including key informant interviews (KIIs) with governmental land use authorities and a household survey of herder-households.

These baseline conditions were collected for the following spatial areas:

- **Project Footprint** - the physical land area required by the Project. This may include the permanent footprint i.e. the pylon bases and the substation, and the temporary footprint, i.e. the area required during construction only e.g. construction camps and temporary works areas.
- **Project or Study Area** - spatial area within which environmental and social data have been collected to assess the effects of the Project. The Project Area covers Govi-Sumber and Dornogovi *aimags* and the seven *soums* which the OHTL runs through.
- **Area of Influence (Aoi)** - the footprint of all Project activities and a larger working strip within the RoW which is 25 m either side of the centre line in rural areas and 6 m either side in urban areas in Mongolia for a 220 kV overhead lines; and 25 m around substations. The Aoi also includes a 6 km buffer zone (i.e. 3 km either side of the OHTL centreline) for herders.

The ESIA social team undertook an initial site reconnaissance and stakeholder engagement between 19 to 22 April 2020 and undertook a more detailed survey including KIIs and Household Surveys in the 6 km buffer zone between 8 to 12 June 2020.

During the initial site reconnaissance, KIIs were undertaken with Govi-Sumber *aimag* and Dornogovi *aimag* officials and officials from the following *soums*; Sumber, Shiveegovi, Dalanjargalan, Saikhandulaan and Sainshand. The Altanshiree *soum* official was called away during the meeting, and the State Emergency Commission road closure (due to COVID-19) resulted in the cancellation of meetings in Airag *soum* of Dornogovi *aimag*.

During the second social field mission, a team of five in-country social and land specialists undertook formal meetings, further KIIs, and Household Surveys. The five *soums* of Sumber, Shiveegovi, Dalanjargalan, Airag and Sainshand were visited. The *soums* of Altanshiree and Saikhandulaan were not covered as it had previously been identified that there were unlikely to be any herder households in the vicinity of the OHTL line due to the small number of herder households that reside or transit through these two *soums* where the quality of pastureland is exceptionally poor.

In summary, the following was undertaken to collect data:

- **Formal meetings:** Discussions with local authorities were conducted to increase awareness about the Project and to obtain their perspectives on the Project in relation to the areas in their authority. A total of 54 officials were engaged
- **KIIs:** A total of 34 KIIs were conducted with the local authorities and specialists on issues within their expertise.
- **Consultations with households:** The Team visited 57 winter and spring shelters using the GPS coordinates provided by the *aimag* and *soum* land specialists. Of these 57 shelters, the Team interviewed 22 households which were still residing in the area. The HH survey covered a diverse range of topics, including information about land uses and seasonality, income and expenditure, livestock and other assets. The questionnaire also contained questions about household composition, livelihood sources, local informal land tenure practices, social organisation, women's status, youth issues, community health and safety, cultural heritage sites of local value and views on potential impacts of the Project on their household and the wider community.

In addition to the above, following a realignment of the OHTL route around 2 mining licence concession, a further walkover survey was undertaken in May 2021. The areas of realignment are shown in Figure 4-1.



Figure 4-1. Originally surveyed route (blue) and minor realignments (red)

4.2. Land Uses

The proposed OHTL route will start at an existing substation in Choir city, Govi-Sumber *aimag* and finishes at a new substation in Sainshand city, Dornogovi *aimag*. It passes through seven *soums*, namely Sumber and Shiveegovi *soums* in Govi-Sumber *aimag* and Dalanjargalan, Airag, Saikhandulaan, Altanshiree and Sainshand *soums* in Dornogovi *aimag*. The relevant *baghs* are as follows:

- Choir Substation and Transmission line - Govisumber *aimag*, Sumber *soum*, *Bagh* VI
- Transmission line - Govisumber *aimag*, Shiveegovi *soum*, *Bagh* II
- Transmission line – Dornogovi *aimag*, Dalanjargalan *soum*, *Bagh* V
- Transmission line - Dornogovi *aimag*, Airag *soum*, *Baghs* I and III
- Transmission line - Dornogovi *aimag*, Saikhandulaan *soum*, *Bagh* III
- Transmission line - Dornogovi *aimag*, Altanshiree *soum*, *Bagh* III
- Sainshand Substation and Transmission line - Dornogovi *aimag*, Sainshand *soum*, *Bagh* IV

These *aimags* and *soums*, and their distance from the OHTL route, are shown in Figure 4-2. The closest *soum* centre (village) to the route is Shiveegovi, at 10 km from the OHTL centreline and therefore all *soum* centres, with the exception of Sumber (Choir) and Sainshand, are outside the Project Area of Influence, which is taken as a buffer zone of 6 km around the OHTL route (i.e. up to 3 km from the centreline of the OHTL route).

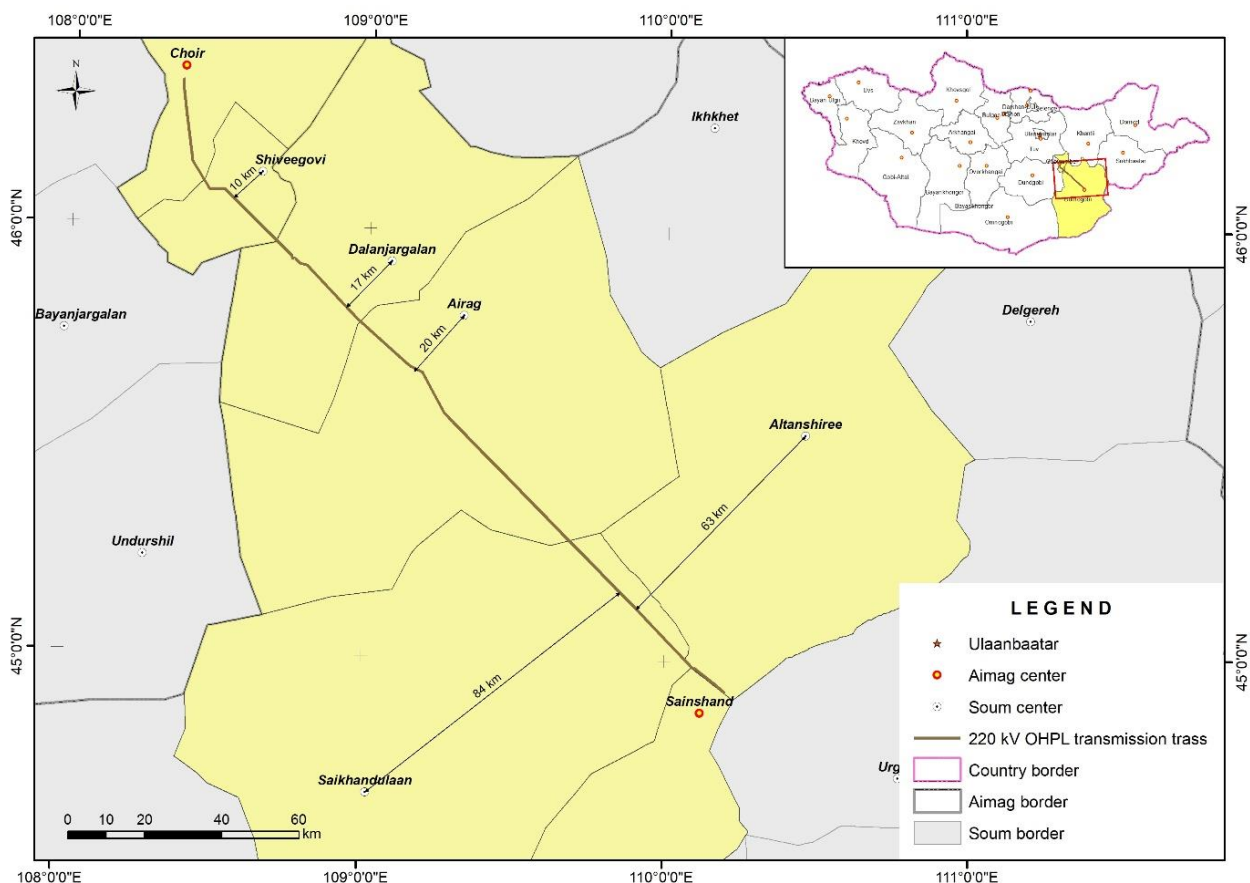


Figure 4-2. Administrative boundaries in the Project Area

The Choir-Sainshand road (Asian Highway 3) connects the cities of Choir and Sainshand. The Trans-Mongolian Railway, which connects the Trans-Siberian Railway from Ulan-Ude in Russia to Erenhot and Beijing in China through the capital Ulaanbaatar, also runs between Choir and Sainshand. There are several spur lines, including a line to Zuun-Bayan, a *bagh* in Sainshand *soum* in Dornogovi *aimag*. A 27 km industrial purpose railway line connects Sainshand with Altanshiree *soum*, Dornogovi *aimag*, to allow development of the Mongolian oil refinery under construction in Altanshiree *soum*.

The categorisation of land uses in each Project *soum* is summarised in Table 4-1. With the exception of the two cities, Choir and Sainshand, land use is dominated by agriculture and pasturelands. In general, the OHTL route is sparsely populated and has vegetation characteristics of the Gobi Desert. Land use in the Project Area is

homogeneous in these rural areas, differing in the residential areas due to proximity of main auto and railroads and the ongoing mining and industrial development.

Table 4-1. Land use in the Project soums

Land use	Sainshand	Saikhandulaan	Altanshiree	Airag	Dalanjargalan	Shiveegovi	Sumber
Pastureland	-	✓	✓	✓	✓	✓	✓
Winter shelter	-	✓	-	✓	✓	✓	✓
Mining site	-	-	-	✓	✓	✓	✓
Industry/factory	-	-	-	-	✓	-	✓
Auto road	✓	-	✓	✓	✓	✓	✓
Farmland	-	-	-	-	-	✓	✓
Protected areas	-	-	-	-	-	-	✓

Source: Agency of Land Affairs, Geodesy and Cartography. www.gazar.gov.mn

The substations represent the more urban locations of the Project Area, although technically rural in the administrative classifications. The OHTL route runs through the following land uses:

- Pastureland and herder wells
- Mining Concessions
- Locally Protected Areas

The impacts on these land uses are set out in Chapter 5.

There are no crops within the OHTL RoW or within the 6 km buffer zone. The closest farms are near Lake Khayalga in Shiveegovi *soum* in Govi-Sumber *aimag*, approximately 3.6 km west of the OHTL route and therefore outside the buffer zone.

4.2.1. Pastureland

Officials engaged with during the ESIA estimated that 94.7% of the total land in the seven Project *soums* is allocated for agriculture, primarily for grazing. The majority of residents of Shiveegovi, Airag, Dalanjargalan, Altanshiree and Saikhandulaan *soums* are rural and/or seasonal herder households.

In the Project Area, summer and autumn grazing is conducted informally, and there are no designated summer pasture areas, as these change from year to year depending on forage conditions, livestock numbers, weather and the individual requirements of herder families. The types of camps and use of pastureland are described below. Near the OHTL route there are a number of winter camps and therefore these pastures are generally used during the winter months; though some herder households remain all year round.

Seasonal movements

It is uncommon for herder households to live at the same location in the pastureland area year-round. This holds true for herder households who possess camp certificates. Typically, herder movements are dictated by weather conditions and the quality of the pastureland for their animals. On average, herder households migrate with their herds two times a year within the range of between 5 to 10 km. Seasonal grazing movements are distinct to the *otor*¹⁷ migration where a household will travel every 3 to 5 days to a new location.

Seasonal movements in non-winter months

During spring, summer and autumn when pastures grow, seasonal herders move their *gers* to a location which they consider has good access to pasture. Summer and autumn grazing is conducted informally, and there are no designated summer pasture areas, as these change from year to year depending on forage conditions, livestock numbers, weather and the individual requirements of herder families. Summer camps are normally located in the vicinity of a water source, usually a hand dug shallow well that provides water for animals and families. Summer/autumn grazing allows winter grazing areas time to recover and let livestock gain weight.

¹⁷ *Otor* means long-distance migration of Mongolian herders, typically in autumn, to fatten livestock for winter. Source: Asian Development Bank. Making grasslands sustainable in Mongolia: Adapting to climate and environmental change. Mandaluyong City, Philippines: Asian Development Bank, 2013.

Winter camps

Winter is generally a sedentary season with few herder families moving. If the quality of pasture near their winter camp is good, households interviewed in the HHS reported that they may start residing at the winter camp in mid-October. In general, herder households reside in the winter camp from November to February. If the springtime is exceptionally cold or blustery, herder households may not leave the winter camp until the end of spring in May.

Winter camps are usually located near wells, and a sheltered location is favoured, often a protected nook on a mountainside, in a canyon, or on the side of a hill. Camps are key for survival –with winter temperatures averaging minus 30-40°C. A good camp site is developed over time and typically has many winters accumulation of dung, which insulates animals and people against the cold, and may be used by herders as fuel. Livestock are kept close by, and families use fodder, hay, and wheat as a supplement feed for their animals during this time.¹⁸ In Mongolia generally, a winter shelter has a fence, *gers*, a well, animal shelters, storage shed and pit latrines (albeit less frequently). Figure 4-3 shows typical winter camps found in the Project Aol.

Use of winter camps is dependent on seasonal conditions; consequently having a possession certificate does not mean the household will use the winter camp if the winter is exceptionally mild.



Figure 4-3. Typical winter camps (Airag, Dalanjargalan and Sumber *soums*, June 2020)

Non-registered winter camp users

In addition to herder households with possession certificates, there are likely to be herder households who do not have formal permission to use the winter camps. In June 2020, only 20% of herders interviewed had

¹⁸ Fernandez-Gimenez, M. E. 2002. Spatial and Social Boundaries and the Paradox of Pastoral Land Tenure: A Case Study from Post socialist Mongolia. *Human Ecology*, 49-78.

possession certificates. Non registered herder households use camps, sometimes joining relatives in their camps, for a variety of reasons, including traditional customary living patterns, lack of awareness about the registration process, lack of willingness to deal with seemingly arduous and complex “red tape” and unplanned emergency use during severe weather, such as *dzuds*.¹⁹

Neighbouring herders in summer and autumn

According to the legislation, *soum* governments regulate pasture use by a formal procedure. The Land Officers state that no herders from other *aimags* or *soums* are allowed to use pastureland within their jurisdiction. However, in the non-winter months, there is no specific monitoring of this and therefore, it is possible given the “open access” that herders within the *soum* and from neighbouring *soums* could use the pastureland in the Project Area. This means that summer and autumn pasture users may also be present and therefore exposed to risk from the Project developments.

Herder Wells

Water supply for herders is usually from manual wells. According to the National Statistics office (NSO), there are 1,515 active wells in the seven *soums*, shown in Table 4-2. Many of these wells are enclosed with wooden, concrete or stone structures. Dornogovi *aimag* waters 40% of its pasture lands and has an active well drilling programme; 15-20 wells are drilled on average every year, each costing 25 million Mongolian tugriks or 7,700 EUR (July 2020), and the future focus for local government on increasing the number of engineered wells drilled in the pasture land.²⁰

Table 4-2. Numbers of wells, by *soum*, in 2019

Indicators	Sumber	Shiveegovi	Sainshand	Airag	Altanshire	Dalanjarga	Saikhandul
Well (total)	265	60	216	241	177	236	320
Abyssinian and artesian well	54	16	53	6	32	22	33
Manhole	1	2	29	0	3	5	4
Simple mine well	144	41	120	230	140	201	283
Other	66	1	14	5	2	8	0

Source: NSO.www.1212.mn

Information obtained from Umard Gobi River Basin Authority noted over 262 wells and 13 *bulag* (springs) within a 10 km zone around the OHTL route, as shown in Figure 4-3. Within the 6 km buffer zone, 51 wells were mapped. Of these, none are within the 25 m RoW and only three wells (one of which was unused) were identified by the Project ESIA within 300 m of the OHTL centreline and a further three wells within 600 m (see Chapter 5). The ownership of these wells is not currently known, but in general wells tend to be owned by one herder household and tend to be close to their winter camps.

¹⁹ Mongolian term for a severe winter in which large number of livestock die, primarily due to starvation due to being unable to graze, in other cases directly from the cold.

²⁰ Naranbold, Director, Agriculture and SME department, Dornogovi *aimag*. Social Field Team Interviews. June 2020

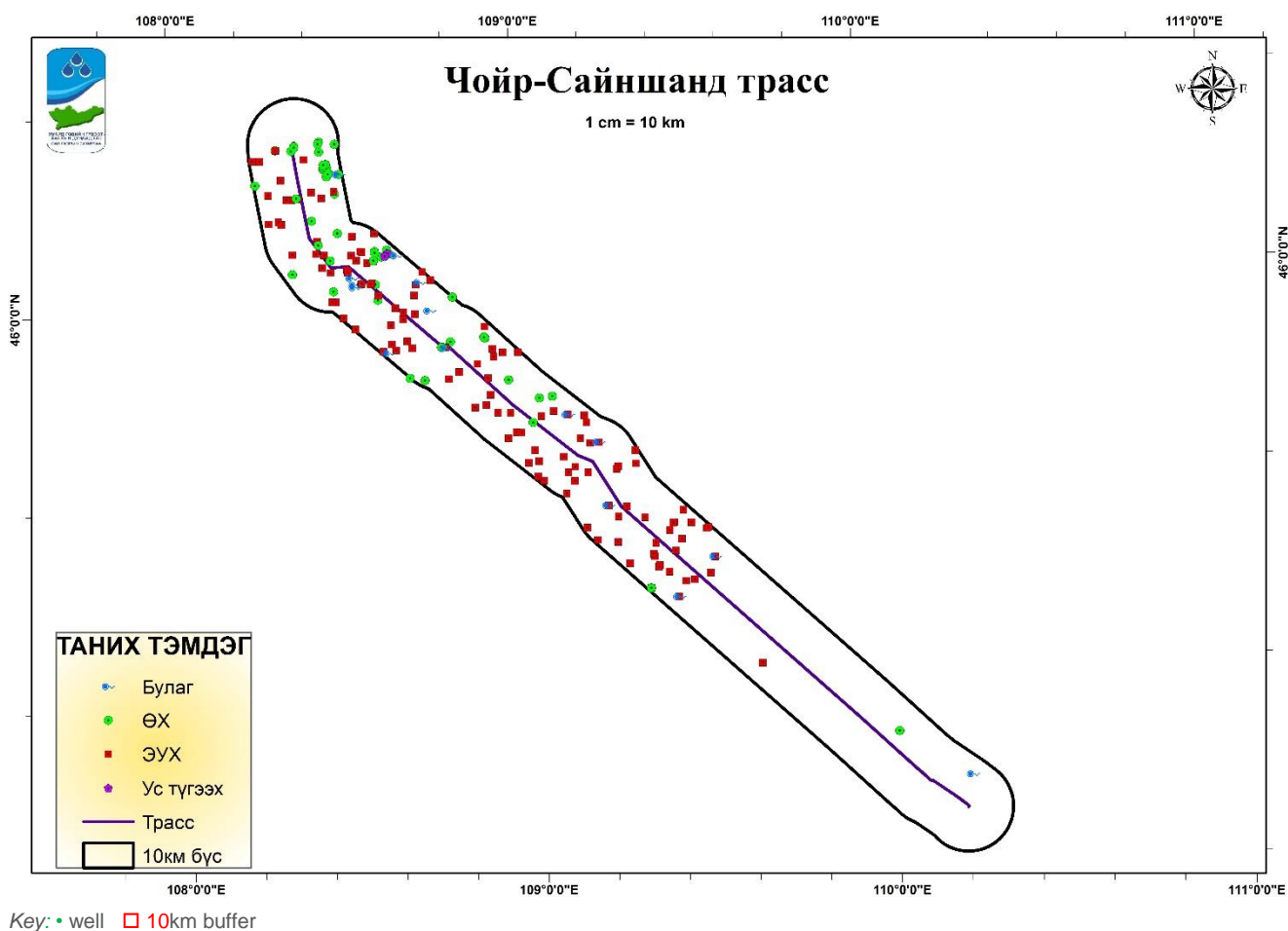


Figure 4-4. Locations of wells within a 10 km buffer zone of the OHTL

Source: ESIA Field Team and Umdar Gobi River Basin

4.2.2. Mining Concessions

In the Project Area, there are rich mineral resources, such as fluoride, pink marble, copper, ironstone, limestone, coloured stone, coal, various earthenware formations, uranium, oil, and gold. According to the Mineral Resources Authority of Mongolia, a total 11.7% of the Dornogovi *aimag* land and 8.2% of the Govi-Sumber *aimag* land is allocated to mining exploration and operation licenses.²¹

According to the Land Department of Govi-Sumber and Dornogovi *aimag*, in 2021 there were five mining concession licences (for exploration and mining) within the OHTL route RoW. Four of the five mineral license holders have informed the Project that they have no objection to the OHTL passing through their license area. The fifth licence expired on 31 July 2020 and the Ministry sent an official request to Dornogovi governor on 4 February 2021 requesting that the transmission line area be excluded from the exploration license area on renewal. The Dornogovi Governor responded in a letter dated 19 February 2021 (Ref no. 1/208) that no mineral license will be granted along the Project OHTL route.

A further two licence areas were avoided through the 2021 realignment of sections of the route. These sites are shown in Figures 4-5 and 4-6.

The full list is provided in Table 4-3.

Table 4-3. Mining licence owners

#	Owners name	License Name	License ID number	Type	Note
1	AQ Sora	Khuren Dukh	MV-020424	Mining	OTL re-routed to avoid overlap
2	MAK Tsement	Khadan Khoshuu	MV-021073	Mining	No objection by the owner

²¹ MRAM. (2019). Mining and Geology Statistics. Mineral Resources Authority of Mongolia. Available at: <https://cmcs.mrpam.gov.mn/cmcs#c=Map> and <https://cmcs.mrpam.gov.mn/cmcs#c=License>. Accessed April 2020.

#	Owners name	License Name	License ID number	Type	Note
3	Olon Ikht Bayan	Khudagt	MV-021441	Mining	No objection by the owner
	Kherlen Golyn Uils	Khoid Khongor	XV-013405	Exploration	No objection by the owner
5	Durvun Talst Erdene	Delgerekh	XV-44000007	Exploration	Expired in July 2020, Any future renewal will exclude areas overlapping with the OTL
6	Batbadmaarag	Modot-3	XV-020181	Exploration	No objection by the owner
7	Modot Uul	Modot	MV-021695	Mining	OTL re-routed to avoid overlap

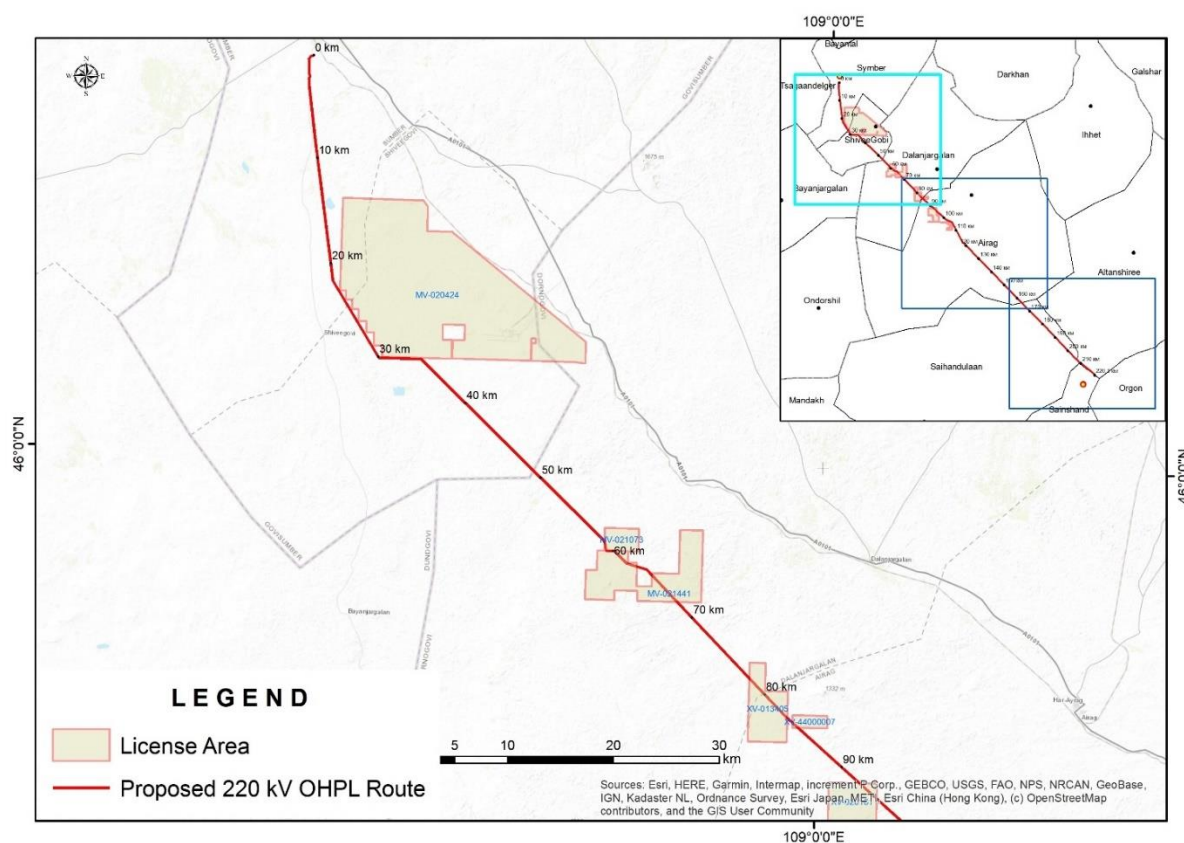


Figure 4-5. Mining licences overlapped with RoW in 0-90th km of OHTL route

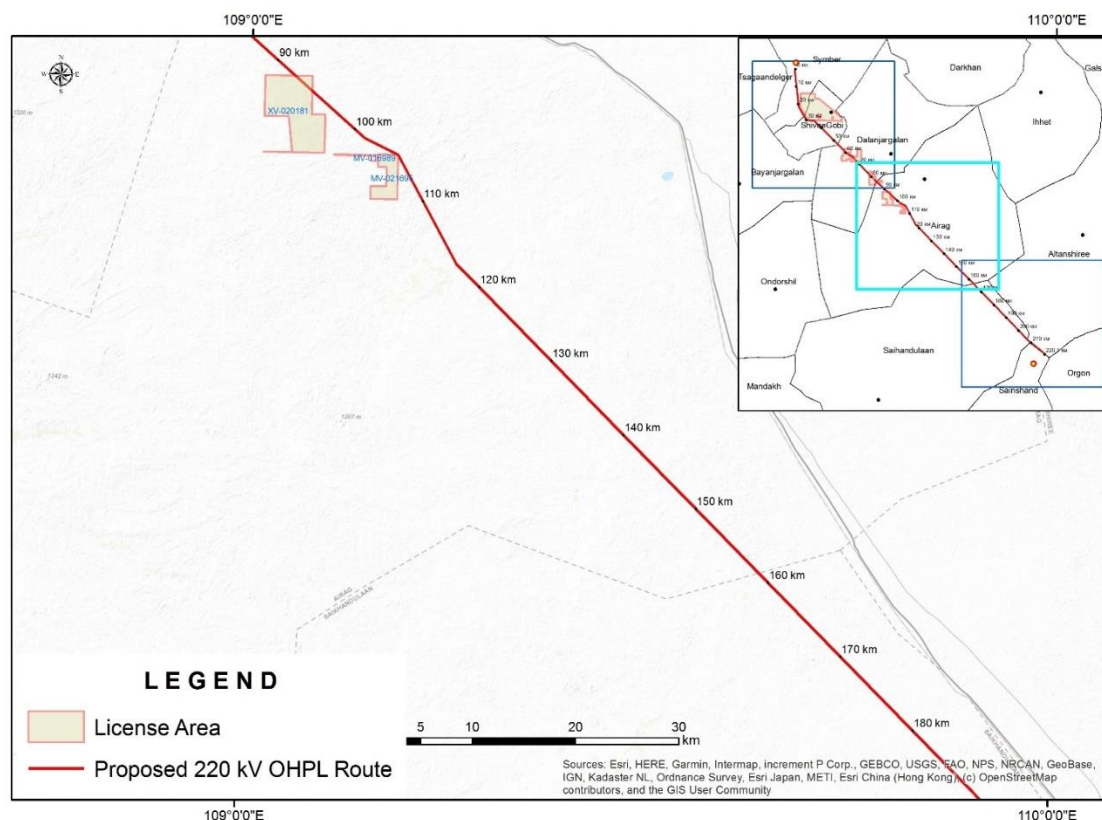


Figure 4-6. Mining licences overlapped with RoW in 60-160th km of OHTL route

4.2.3. Locally Protected Areas

Within the Sainshand-choir *soums* that the OHTL passes through, there are 47 Locally Protected Areas. The Locally Protected Areas within 10 km from the planned OHTL route are provided in Table 4-4 and shown in Figure 4-. The proposed OHTL route crosses two of the locally protected areas while the furthest one is about 90 km from the OHTL route. These sites do not have any specific significance for local herder households. Although they have been designated for broad ecological reasons, the sites are not cordoned off or managed and herders are permitted to graze in these areas. They are also permitted to sell wool to tourists.²² However, engagement at the *soum* and herder household level for this Project indicated that these sites provide no ecosystem services to herder households.

Table 4-4. Locally protected areas within 10 km from the Project OHTL route

#	Locally protected area	Distance to the OHTL route (km)	Purpose of protection	Area
Gobisumber aimag				
1	Khuriin Nogoo	2.6	Biodiversity habitat and water resources protection	123.90
Sumber soum				
2	Togootyn Khonkhor	Overlaps 5.2 km	Nature and historical heritage area	15,115.78
3	Teregt	6.8	Biodiversity habitat and water resources protection	404.88
Shiveegobi soum				
4	Bekht Spring	4.6	Biodiversity habitat and water resources protection	930.78
Dalanjargalan soum				

²² Gender, Land and Mining in Mongolia. WOLTS Research Report No.1 January 2018. Page 107, Ikh Nart Nature Reserve in Dalanjargalan *soum*, Dornogovi *aimag*. Available at: <https://mokoro.co.uk>.

#	Locally protected area	Distance to the OHTL route (km)	Purpose of protection	Area
5	Zalaat	6.5	Reserve pasture	850.37
Airag soum				
6	Bayan Uul	5.2	Biodiversity habitat and water resources protection	1,3945.43
7	Baga Nardyn Khad	3.4	Biodiversity habitat and water resources protection	3,443.56
8	Bornuruu	7.2 km overlap	Special purpose	3,553.07
9	Yashil	3.9	Special purpose (small scale artisanal mining area)	238.00
10	Ikh Khongor uul	3.6	Nature and historical heritage area	8.23
11	Tsagaan Khad	9.4	Special purpose	6,497.65
Saikhhandulaan soum				
12	Zanguut	6.1	Biodiversity habitat and water resources protection	48,306.95

Source: <http://eic.mn/spa/gis.php>

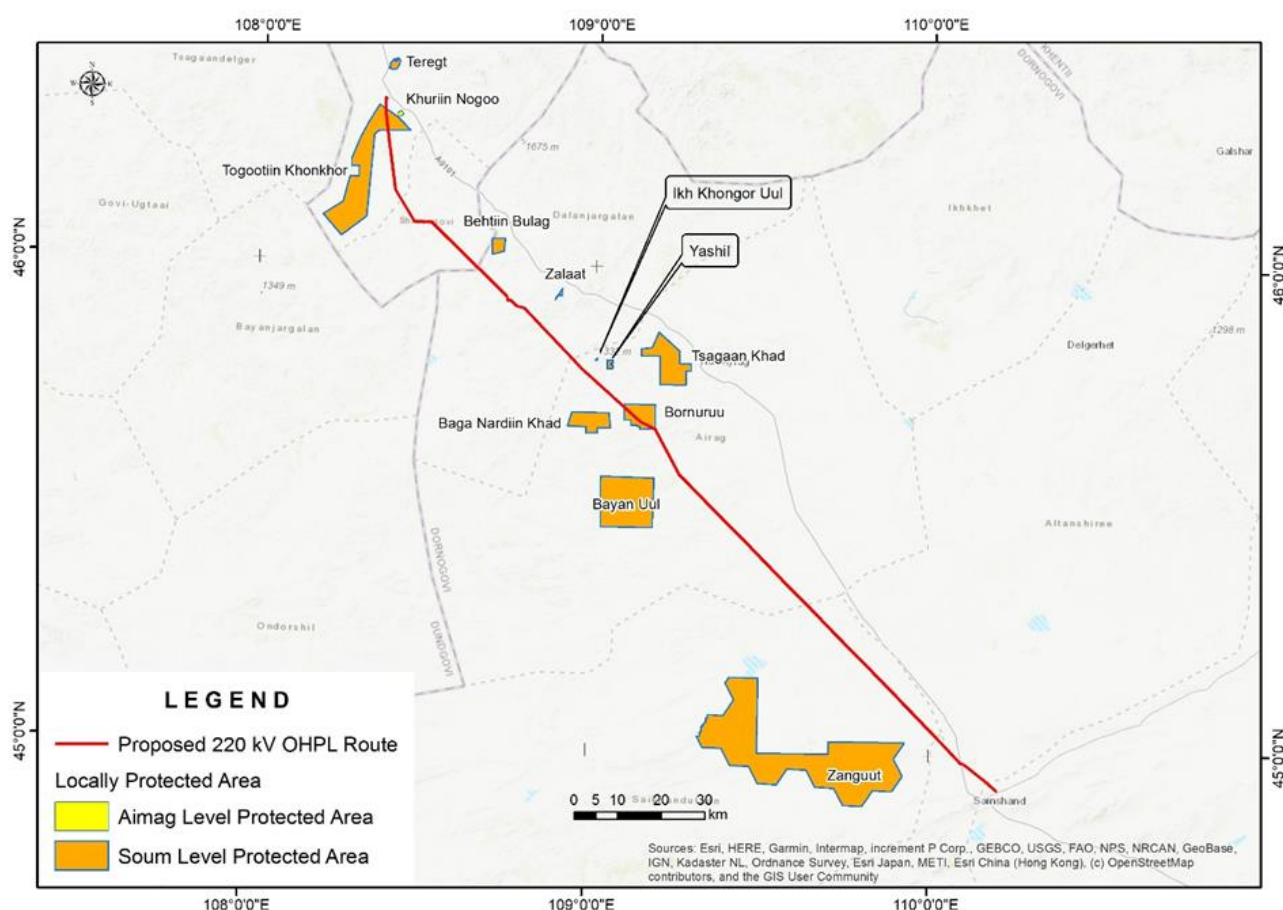


Figure 4-7. Locations of locally protected areas within 10 km radius from the proposed OHTL route

4.3. Demographic Conditions

In 2019, the total registered population of Govi-Sumber *aimag* was 17,445, of which 98,792 (50.4%) were men and 8,653 (49.6%) were women. At the end of 2019, Dornogovi *aimag* had 71,000 people registered in the population and household database. The split was roughly 50:50 men to women.

Herders are the main Project affected persons as there are no other settlements along the OHTL route. As of 2019, the Project seven *soums* accommodated 3,381 herders; 2,249 households with livestock and 2,170 herder households (Table 4-5 and Figure 4-8).

According to the NSO classifications, herders are distinguished as:

- Households with livestock refer to a household that owns livestock, including herder-households. They mostly live in *soum* or *aimag* centres; and do not herd livestock by themselves. Instead they mostly rely on herder relatives, extended herder family members to herd their livestock or contracted herders in a few cases;
- Herder household refers to a family that earns the majority of its income from profits of privately-owned livestock herds; a herder-household may be comprised of more than one individual herder; and

Herder refers to a person/individual who earns the majority of their income from raising and tending livestock and herding full-time. These herders may also belong to a herder household.

Table 4-5. Herders and herder's households, by *soum* and number, 2019

No		Total households (#)	Households with livestock (#)	Herder-households (#) (%)	Herders (#)
1	Sumber	3,634	723	530 (14.5)	837
2	Shiveegobi	1,007	155	90 (8.9)	122
3	Sainshand	7,281	445	280 (3.8)	453
4	Airag	1,093	440	350 (32.0)	545
5	Altanshiree	462	337	290 (62.7)	485
6	Dalanjargalan	916	511	350 (38.2)	496
7	Saikhandulaan	460	338	280 (60.8)	443

Source: NSO. www.1212.mn

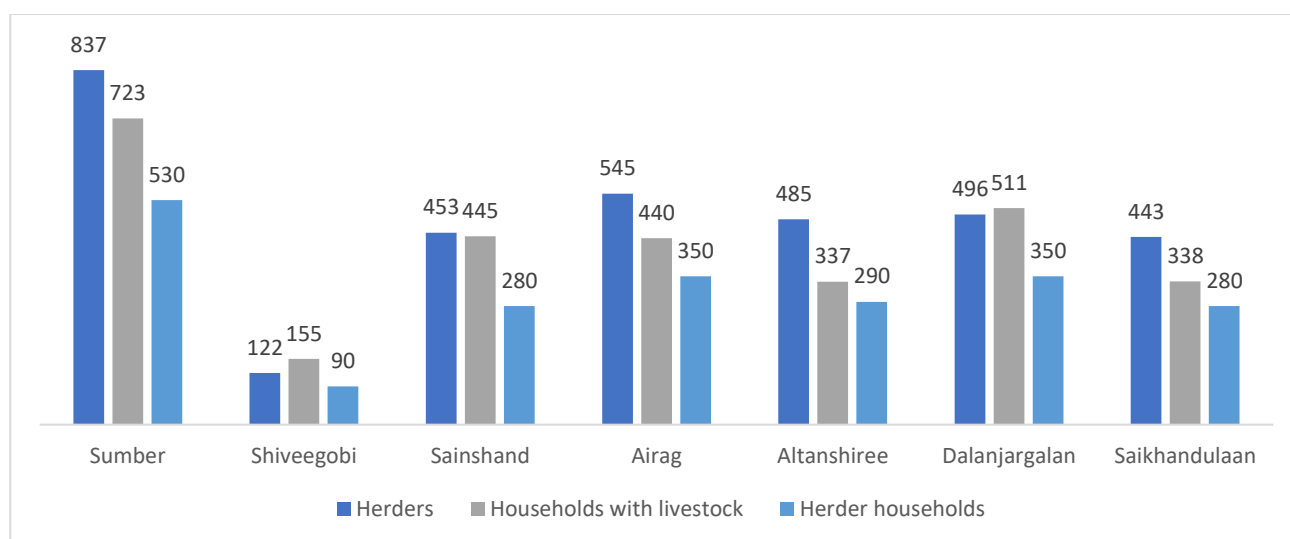


Figure 4-8. Herders and herder's households, by *soum* and number

Source: National Statistical Office (NSO), 2019²³

In the past three years, there have been fluctuations in the number of herders across the Project *soums* (Table 4-6). In Sumber, Altanshiree, Dalanjargalan and Saikhandulaan *soums*, they fell from between 2 to 9% and in Shiveegovi, Sainshand and Airag *soums* they rose from between 3 to 16%.

Table 4-6. Changes in the number of herders across Project *soums*, 2013-2019 (compared to the previous year, %)

No	<i>Soums</i>	2013	2014	2015	2016	2017	2018	2019	Comments
1	Sumber	9.4	13.8	2.2	8.2	-6.2	-4.5	-1.6	Decreased
2	Shiveegovi	0.9	23.6	4.4	5.6	-4.7	-16.8	2.5	Increased
3	Sainshand	8.9	-9.3	6.3	12.7	-3.3	1.3	16.2	Increased

²³ NSO. 2019. Householder indicators – Number of herdsmen. 1212.mn. Note that any discrepancies in numbers with Table 7-1 are due to the different data collection methods of the NSO and the aimag statistical offices.

Nº	Soums	2013	2014	2015	2016	2017	2018	2019	Comments
4	Airag	7.9	5.8	9.9	1.7	-6.7	-1.4	7.5	Increased
5	Altanshiree	10.1	1.0	1.8	3.1	-7.5	-1.0	-0.2	Decreased
6	Dalanjargalan	6.6	1.7	10.1	5.7	-10.5	-2.2	-7.6	Decreased
7	Saikhandulaan	11.3	4.3	8.1	-2.1	2.7	-7.3	-8.8	Decreased

Source: NSO. Agricultural Statistics. www.1212.mn

The exact number of herder households who use the land within the 6 km buffer zone is unknown given that, by definition, herders are nomadic people and move to different locations throughout the year. A review of the maps held by the *aimag* authorities showed 74 herder-households have winter camps recorded in the 6 km buffer zone (note, being recorded at the *aimag* level does not mean that the herder household necessarily has a possession certificate). These do not account for unrecorded camp users. Using the coordinates of the recorded winter camps, the social team travelled alongside the OHTL route in June 2020 and counted 39 winter shelters in the buffer zone; of these, 22 households were present (5 of which were still residing in their winter camp and 17 households had migrated from their winter camp). Of the 22 surveyed households, 17 households migrate from their winter camp during spring and five households never travel from their present location in the winter camp. Most of the winter camps and herder households were found from between the 40th to 80th km of the OHTL route, in Airag and Dalanjargalan *soums*.

From this information, the estimated number of herder households within the buffer zone range from 39 to 74+ households. The upper range is currently not known and could exceed 74 households. Two categories of herder-households reside in the winter camp: herder-households that are registered with the authorities and possessing the camp certificate and other herder-households. Once the final design is determined a detailed survey of assets will be required and, where assets are affected, a census and socio-economic survey of the affected persons will be required and will be reported in a RAP/LRP; further details of future survey requirements are set out in Chapter 6.

Of the 22 herder households interviewed, 20 households consider themselves to be local to the area. On average, 11 (50%) households have been living on the land within the OHTL RoW and buffer zone for over 21 years, eight households (36.4%) have been living there between 10 and 20 years, and three (13.6%) households have been living there less than 10 years.

4.4. Livestock

As Table 4-7 shows, in 2019, there were 325,930 livestock in Sumber *soum*, 55,390 in Shiveegovi *soum*, 132,110 in Sainshand *soum*, 183,260 in Airag *soum*, 146,940 in Altanshiree *soum*, 196,770 in Dalanjargalan *soum* and 193,080 in Saikhandulaan *soum*. Interviewed households noted that the most profitable livestock are goat (42.8%) and sheep (47.1%), respectively. Compared to raw products obtained from other livestock, goat cashmere is the most lucrative. After goat, sheep and cattle rank second and third in terms of profitability. This is illustrated in Figure 4-9, which shows the composition of livestock in the seven Project *soums* in 2019.

Table 4-7. Number of livestock in Project *soums*, 2014-2019

Nº	Soums	2014	2015	2016	2017	2018	2019
1	Sumber	245,300	278,390	295,310	324,030	311,700	325,930
2	Shiveegobi	40,890	43,710	43,430	48,040	29,260	55,400
3	Sainshand	85,090	95,990	94,880	109,610	117,850	132,110
4	Airag	134,330	143,220	123,670	148,370	164,820	183,270
5	Altanshiree	111,090	120,010	113,140	127,230	134,560	146,940
6	Dalanjargal	145,750	158,230	154,380	174,720	176,420	196,770
7	Saikhandulaan	123,180	138,510	145,010	164,790	182,210	193,080

Source: NSO. Agricultural Statistics. www.1212.mn

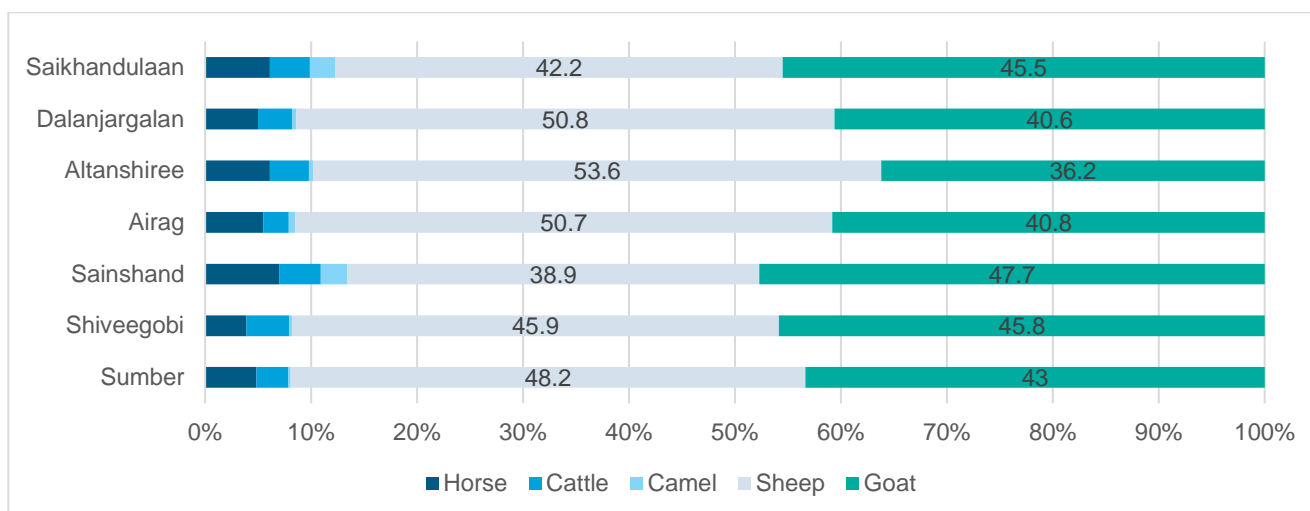


Figure 4-9. Livestock composition, by % (2019)

4.5. Economy, Employment and Livelihoods

In 2019, Dornogovi *aimag*'s nominal Gross Domestic Product (GDP) was MNT 405.3 billion, which was approximately 11% of the Central Region's²⁴ GDP. Compared to the previous year, the GDP of Dornogovi *aimag* rose by MNT 37.0 billion. In the past decade, the GDP of the *aimag* has increased seven times. The main sectors contributing to the *aimag*'s economy are agriculture (31.5%), manufacturing and construction (19.8%), and services (48.7%), of which manufacturing is a top regional priority. The main products of manufacturing are coal, food, concrete, and wooden products.²⁵

As of 2019, Dornogovi *aimag* had 32,985 economically active persons and the labour force participation rate was 68.9%. Compared to the previous year, the number of economically active people increased 5.3%. The male labour force participation rate (73.1%) was 8.7% larger than the female labour force participation rate (64.8%). The number of employed persons was 31,717, of which 57.4% were males and 42.6% were females.

As of 2019, Govi-Sumber *aimag*'s nominal GDP was MNT 97.6 billion, approximately 3% of the Central Region's GDP and an increase of MNT 8.4 billion from the previous year. The main economic sectors were services (43.2%), manufacturing (34%), mining (24.2%), and agriculture (22%).

In 2019, Govi-Sumber *aimag* had 8,058 economically active persons, an increase of 7.9% from the previous year. The male labour force participation rate (77.3%) was 5.4% higher than the female labour force participation rate (71.9%). Female labour force participation in Govi-Sumber *aimag* is much higher than the national average, 72% and 47% comparatively.

Findings from the Household Survey (June 2020) (Table 4-8) show that all the households earn income from agricultural products associated with herding activities. Seventy percent (n=23) of household members of working ages are economically active, of which 78% (n=18) are engaged in herding and 22% (n=5) work in the private sector. In the four rural *soums* in Dornogovi *aimag* (Saikhandulaan, Altanshiree, Dalanjargalan and Airag), the majority of employed people work as herders: 76% of employed persons in Saikhandulaan, 73% in Altanshiree, 47% in Dalanjargalan, and 46% in Airag.

Table 4-8. Income-generating activities in surveyed Households (n=22)

Total number of households	Number	%
Number of households reporting earnings	21	95%
Number of households reporting earnings from two occupational types (herding and the private sector)	3	7.3%
Number of households with an unemployed household member	0	0%
Number of household members in the working ages (21 HHs)	65	100%

²⁴ The National Statistics Office classifies Mongolia's 21 aimags into four regions - Western, Khangai, Central and Eastern regions. Central region includes Dornogovi, Govi-Sumber, Dundgovi, Umnugovi, Selenge, Tuv and Darkhan-Uul aimags.

²⁵ Dornogovi *aimag*'s government. 2012. *Development Planning: Social and Economic of Altanshiree soum, 2012-2022*

Total number of households	Number	%
* of whom generate income	55	85%
Number of household members engaged in herding	50	91%
Number of household members engaged in private sector activities	5	9%

Source: Social Baseline Household Survey, June 2020

In 2019, the unemployment rate in Mongolia was 8.1% at the national level, 9.8% in urban areas and 7.4% in rural areas. Youth unemployment is widespread.²⁶ Compared to national figures, the unemployment rate in Dornogovi *aimag*, a rural area, is comparatively low, with estimates ranging from 2.2% to 6.4% across the *soums* in the Project Area. Unemployment in Dornogovi *aimag* is also lower than in the Central Region as a whole. As in the rest of the country, youth unemployment is high. In the *aimag*, youth comprise 60% of the unemployed, and over half of them (59%) have completed secondary education. Dornogovi *aimag* has a Labour and Social Welfare service, a governmental body, to assist residents in finding jobs. In 2019, 1,300 residents registered with the Service, of which 60% were between the ages of 25 and 34 and all but 9% were graduates of either secondary or vocational school.

The unemployment rate is relatively high in Govi-Sumber *aimag*: 11.4% compared to 7.9% in the Central Region and the national average of 8.1%.²⁷ In 2019, 2,271 people registered with the Governmental Labour and Social Welfare Service. The proportion of unemployed who were male was slightly lower than females, 48.7% compared to 51.3%. As in Dornogovi *aimag*, educated youth and young adults comprised a large proportion of the unemployed.²⁸

Findings from the Household Survey indicate that there are no unemployed members in the 22 households interviewed. Ten persons of working age in seven of the interviewed households had not worked to generate any income in the last month, and in most cases, the past year. They were economically inactive because they were studying or recently graduated from university/military academy. Some of them were resigned to the fact that they were not going to find a suitable job in the local area and had stopped looking. The more educated family members are generally not interested in herding, and although willing to work in the *soum* centres, experience difficulty finding positions commensurate with their level of education.

The share of the economically inactive population (persons neither working nor actively seeking employment) is much higher in Airag and Sainshand *soums* than other *soums*; 53% of the working-age population in Airag *soum* and 44% of the working-age population in Sainshand *soum*.²⁹

4.6. Earnings and Household Income

In Mongolia, the average worker earns MNT 1,124,300 per month (1.1 million). The highest paid economic sector is the mining and quarrying industry, where the average pay is MNT 2.3 million per month and the lowest paid economic sector is the service industry, where the average pay is MNT 0.6 million per month.³⁰

According to the NSO, the average salary of an entity³¹ worker in Dornogovi *aimag* is MNT 1,014,700. Men receive MNT 1,129,500 on average and women, MNT 889,700. The average salary of an entity worker in Govi-Sumber *aimag* is MNT 1,052,800. Men receive MNT 1,183,400 on average and women MNT 922,200. Average salaries in the *aimags* are constantly increasing (Figure 4-10).³²

²⁶ NSO. (2019). *Social and Economic Survey*

²⁷ NSO. (2019). *Labor Force Survey Report*

²⁸ Ibid.

²⁹ Saikhandulaan *Soum's* Government. (2012). *General Development Plan of Saikhandulaan soum 2012-2022*.

³⁰ NSO. 2019. Entity Worker's Monthly Average Salary Survey. Available at: https://1212.mn/BookLibraryDownload.ashx?url=average_wage_2019.pdf&ln=Mn. Accessed June 2020.

³¹ i.e. a company, state-owned entity, local governing entity, cooperative, entrepreneur, partnership or NGO

³² Ibid.

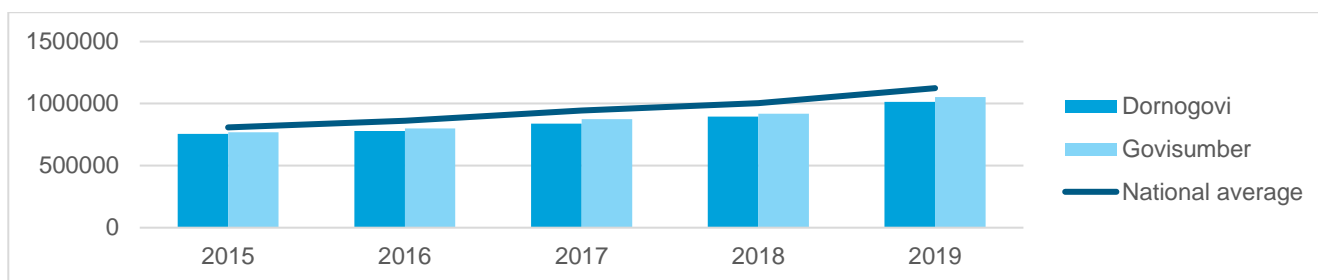


Figure 4-10. Amount of average monthly income nationally and in the Project aimags (MNT)

Source: NSO. 2019. Entity Worker's Monthly Average Salary Survey

Due to the relatively few salaried workers in the household study, data on employment earnings are limited to reports from five workers residing in three households. The workers reported monthly salaries ranging from MNT 800,000 to 900,000, the average of which was MNT 840,000.

At the national level, the average monthly household income was MNT 1,343,428 in 2019, which rose by MNT 162,361 (13.7%) from the previous year. The monthly average income of households residing in rural areas was MNT 1,180,662, which is lower by MNT 246,280 (23.8%) than the urban average. At the national level, 421,088 (12.8%) people received social welfare pensions and allowances of MNT 303,820.7 million in 2019. The minimum subsistence level of population (per capita, per month) is MNT 198,300 in 2018 in the Central Region, including Govi-Sumber and Dornogovi aimags, whereas it is MNT 230,000 in Ulaanbaatar.³³

In Dornogovi *aimag*, 25,721 people received social welfare pensions and allowances of MNT 8,252,006 thousand in 2018. In Govi-sumber *aimag*, 7,748 people received social pension and welfare allowances of MNT 1,979,889 thousand in 2018.

The income of the surveyed households consists of two main sources: social welfare payments and sales of agricultural products. Only three households have members who earn salaries. Table 4-9 shows household income and income sources of the surveyed households.

Table 4-9. Household median income and income sources, monthly and annual

Income sources	Median income (MNT)	The highest income (MNT)	The lowest income (MNT)
Monthly sales of agricultural products (n=22)	750,000	2,583,000	250,000
Monthly social welfare payment (n=19)	300,000	100,000	880,000
Monthly salary income (n=3)	840,000	900,000	800,000
Households' monthly median income (n=22)	1,392,000	3,400,000	500,000
Households' annual median income (n=22)	16,740,000	40,800,00	6,000,000

Source: ESIA field survey HHS.

Sales income of agricultural products: All the surveyed households earn income from agricultural products. Household monthly income from sales of agricultural products average MNT 750,000, and the highest income is earned from live animal sales, meat, and cashmere. In 2019, the surveyed households reported selling a combined total of 4,083 animals, 16.8 tonnes of meat, and 1,060 tons of cashmere. On average, each household sold 60 animals, 250 kg of meat, and 75 kg of cashmere last year. The main market was the *soum* and *aimag* centres. As illustrated in Figure 4-11, the median annual income from the sales of agricultural products was MNT 9,000,000.

³³ NSO. www.1212.mn Available at https://www.1212.mn/tables.aspx?tbl_id=DT_NSO_1900_010V1&AIMAG_select_all=0&AIMAGSingleSelect=_5&YearY_select_all=0&YearYSingleSelect=_2020&viewtype=table

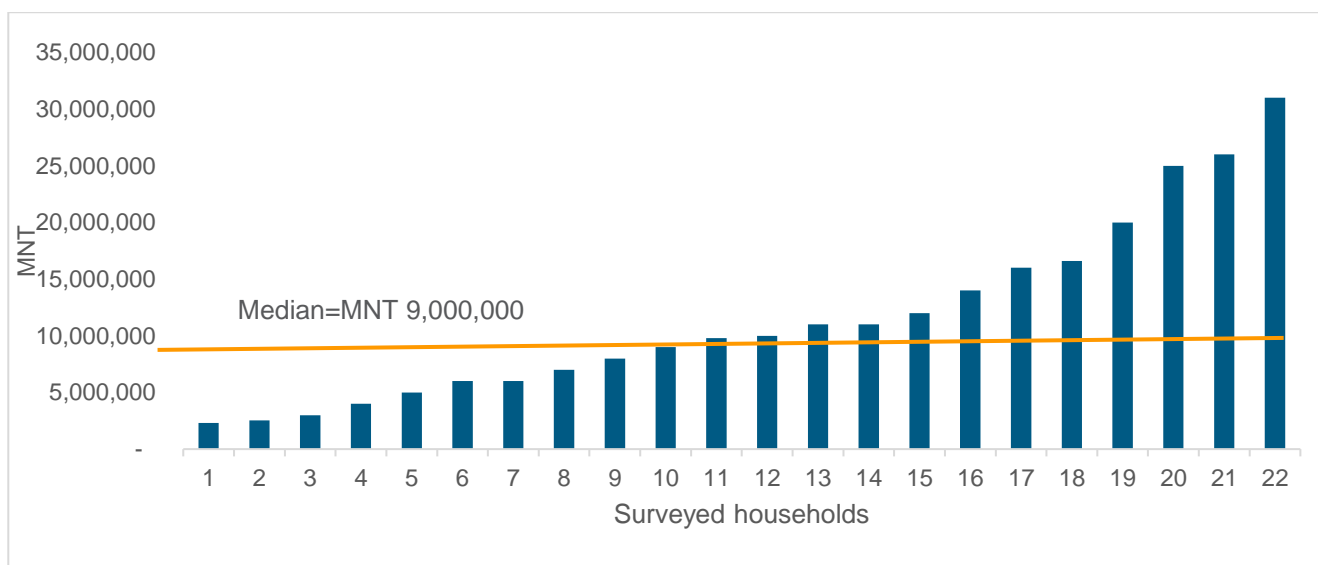


Figure 4-11. Distribution of household income from the sales of agricultural products

Social welfare payments: There were 17 households with at least one family member who receives social welfare. The two forms of subsidies paid were child welfare allowances and pensions. Every child younger than 18 years of age receives a cash grant of MNT 100,000 per month. The standard pension is MNT 350,000 per month. The median income from social welfare payments was MNT 300,000.

Monthly salary income: There were only 3 households having a family member who works in private sector. The average monthly salary was MNT 840,000 for those three households.

At the national level, the average monthly household consumption expenditure was MNT 1,416,640 in 2019, which was an increase of MNT 175,909 (14.2%) from the previous year. In the Central Region, the average monthly household expenditure in 2019 was MNT 1,394,514, which is slightly lower than the national average.³⁴

Monthly median household expenditure was MNT 1,966,667 among the surveyed households (Table 4-10), which is much higher than the average monthly consumption in the Central Region. Among the surveyed households, consumer durable purchases were the highest spend, averaging MNT 13.7 million per year; this was followed by expenditures on petrol and car service amounting to an average of MNT 5.3 million per year.

Table 4-10. Household consumption expenditure

Expenditures	Number of households (given answers)	Average expenditure per year (MNT)
Cost for livestock feeding, veterinary and tax	21	2,436,905
Petrol and car service	21	5,361,905
Electricity and heating	2	330,000
Food	22	3,422,727
Education (tuition fee, uniform etc)	16	3,056,250
Medical expenses	14	1,378,571
Consumer durables (car, house items, furniture)	11	13,700,000
Clothes	20	2,970,000
Mobile and internet	21	666,667
Social activity, events, celebrations	20	3,240,000
Other expenses	1	1,000,000

³⁴ NSO. 2019. Household Socio-Economic Survey Report. Available at https://1212.mn/BookLibraryDownload.ashx?url=Tan_HSES_19.IV.pdf&ln=Mn. Accessed June 2020.

Expenditures	Number of households (given answers)	Average expenditure per year (MNT)
Average monthly expenditure	-	2,264,527
Median monthly expenditure	-	1,966,667
Average annual expenditure	-	27,174,318
Median annual expenditure	-	23,600,000
Average monthly expenditure per capita	-	666,715
Median monthly expenditure per capita	-	470,417

Seventeen of the 22 surveyed households borrowed money in the past year, primarily from banking institutions (85%). The mean and median amounts borrowed are MNT 11.94 million and MNT 10.00 million respectively (n=16). The reasons for borrowing money are presented in Table 4-11. Over 40% of households borrowed money to cover household expenses.

Table 4-11. Reasons why the surveyed herder-households borrowed money in the past year

Reason	Number (%)
Livestock raising	3 (17.6)
Household-based production and service	2 (11.8)
Building of house and fence (<i>khashaa</i>)	3 (17.6)
Covering household expenses	7 (41.0)
Other	2 (11.8)
Total	17 (100)

Source: Social Baseline Household Survey, June 2020

4.7. Poverty

Poverty in Mongolia is persistent, and the poverty incidence is higher in rural areas. As of 2018, the poverty headcount rate was 28.4% at the national level, 27.2% in urban areas, and 30.8% in rural areas. However, poverty reduction was uneven, decreasing in rural areas but not in urban areas. The main reasons were the increase in livestock prices and the expansion of poverty-targeted social protection programs in rural areas.³⁵

There is a considerable difference in poverty levels across aimags. Govi-Sumber *aimag* had the highest poverty incidence in 2018, with over half of its population (51.9%) living in poverty. Dornogovi *aimag* is relatively better off with respect to poverty, where 23.4% of the population is living below the poverty line.

Only one of the herder-households in the baseline survey is poor. Its per capita monthly income taking into account herding income, allowances and livestock sales is MNT 175,000, which is just 88% of the subsistence minimum or poverty line (MNT 198,300). Another household has a per capita monthly income of 222,222, which is only 12% above the subsistence minimum.

According to the recent report of the NSO and the World Bank,³⁶ the poverty reduction in rural areas was driven by farm income growth, especially higher livestock product prices. On average, rural household real income grew by 2.6% and the poorest rural quintile recorded the highest growth of 3.8%. Regardless of any variations in households' livestock inventories, higher prices for livestock products, especially cashmere, contributed to the increase in herders' income reported in the household Survey. Growth in farm income alone thus reduced the rural poverty rate by 1.8% between 2016 and 2018.

Yet, the herders' livestock-dependent livelihood is extremely vulnerable to unexpected shocks. The year 2016, 2017 and 2018 were good years for almost all rural herders as a result of higher livestock product prices, but this reflects the reality that they are highly vulnerable to livestock price shocks and especially to harsh winters or any other natural disasters which could destroy their livestock herds. The rapid advance of pastoral degradation on the back of increasing demand in livestock products could threaten the sustainability of herders' livestock activities.

³⁵ National Statistical Office and the World Bank, Mongolian Poverty Update, 2018.

³⁶ NSO and WB. 2020. *Mongolia Poverty Update 2018*. The Main Report of The Household Socio-Economic Survey 2018. Available at: https://1212.mn/BookLibraryDownload.ashx?url=Poverty_report_2018_ENG.pdf&ln=Mn. Accessed June 2020.

4.8. Vulnerable Groups

The EBRD ESP definition of vulnerable was reviewed to identify vulnerable people or groups in the Project Area, whereby ‘vulnerable groups’ refers to

“people who, by virtue of gender identity, sexual orientation, religion, ethnicity, indigenous status, age, disability, economic disadvantage or social status may be more adversely affected by project impacts than others and who may be limited in their ability to claim or take advantage of project benefits. Vulnerable individuals and/or groups may also include, but not be limited to, people living below the poverty line, the landless, the elderly, women and children-headed households, refugees, internally displaced people, ethnic minorities, natural resource dependent communities or other displaced persons who may not be protected through national legislation and/or international law.”

During the social baseline surveys, vulnerable groups and vulnerability criteria was also discussed with the local authorities. The results of the interviews indicated vulnerability criteria used locally to define vulnerable groups relate to age, economic disadvantage, disability, single headed households with four and more children under the age of 18, as prescribed by the Mongolian Law on Social Welfare, 2012.

Vulnerable groups in the Project Area are people with disabilities (PWD), single headed households and households with economically inactive persons, as described below. Herders as a group are not considered vulnerable in the context of the Project Area (see later information in incomes and earnings).

As of 2019, there were 742 PWD in Govi-Sumber *aimag* (531 in Sumber *soum*; and 157 in Shiveegovi *soum*), which is 4% of the total resident population; out of which 404 (55.4%) are men and 303 (44.6%) are women. There are 568 households in the two *soums*, 487 in Sumber *soum*, and 81 in Shiveegovi *soum*. Out of a total of 602 single headed households registered in the *aimag* at the end of 2019 (98 male single headed households and 504 female single headed households), 568 households live in the two Project *soums*, namely 487 in Sumber *soum*, and 81 in Shiveegovi *soum* (the remainder in other *soums* in the *aimag*).

As of 2019, there are 2,642 PWD in Dornogovi *aimag*, which is 3.7% of the total population; of which 1,061 (40.2%) are women. A total of 2,050 single headed households live in the *aimag*, of which 1,741 households are female-headed households.

Out of surveyed households, the majority of households (72.7%) had a husband and wife and the remaining six households (27.3%) are single parent families. Seven households (31.8%) have one or more economically inactive family members. One household has a disabled family member and another household has two adult family members in need of care. Nine households (40.9%) have children who are aged 5 and under, and 13 households (59.1%) have school-aged children (6 to 18 years old). All but one of the school-aged children attend school. One child had dropped out of school, which the parent explained was because of a “private household issues”. The highest level of education completed by the household heads is secondary education (40.9%); this is followed by primary education (31.8%), and vocational / middle education (27.3%). All but one of the household heads generated income by herding livestock in the past month (21 households or 95.5%).

4.9. Gender

According to the Organisation for Economic Co-operation and Development (OECD)’s latest cross-country ranking classifying countries according to their level of discrimination in social institutions, Mongolia is among 43 countries with a low level of discrimination in social institutions.³⁷ According to this rating, the Social Institutions and Gender Index (SIGI) for Mongolia is 2038. The SIGI is an unweighted average of the following five sub-indices: discriminatory family code (28 for Mongolia), restricted physical integrity (8), restricted access to productive and financial resources (20), and restricted civil liberties (28).

The Gender development index³⁹, an index designed to measure gender equality, for Dornogovi *aimag* is 1.054, which is higher than average national level (1.043) while the same index for Govi-Sumber *aimag* is 0.993, less than the national average.⁴⁰

³⁷ Social Institutions and Gender Index. 2019. Available at: <https://www.genderindex.org/country/mongolia/>. Accessed on 4 April 2020.

³⁸ Higher values indicate higher inequality. Percentages range from 0 to 100, while legal variables are categorised as 0%, 25%, 50%, 75% or 100%.

³⁹ The GDI measures gender gaps in human development achievements by accounting for disparities between women and men in three basic dimensions of human development—health, knowledge and living standards using the same component indicators as in the Human Development Index, HDI. It is a direct measure of gender gap showing the female HDI as a percentage of the male HDI.

⁴⁰ www.1212.mn; GDI for 2018.

In most developing countries, girls have fewer educational opportunities than boys. In Mongolia, the trend is reversed — referred to as a “reverse gender gap”. In recent history, in herding communities, boys were pulled out of school to help manage the herd, while girls were encouraged to continue their schooling. Today, males still lag behind females in education, with women accounting for 62% of university, college and institute graduates in 2015, according to the NSO. This inverse education gap has resulted in Mongolia’s female-dominated professional class, though men still control the top roles in government and business. However, boys living in rural areas are particularly vulnerable to dropping out of school, which creates underemployment, wealth disparities, substance abuse, and increased violence, particularly domestic abuse.

A study by Swiss Development Agency⁴¹ showed that the gender situation among herder community is not straightforward. Both surveyed men and women (from the Agency study) earn income from livestock, with males earning more from the sale of cashmere, livestock and meat sales, and wool and skins and women earning more from selling dairy products, wool, cashmere and skins. Most of the decisions related to livestock production⁴² are made by men. In terms of decision-making, husbands represent 50.2%, wives 26.2%, sons 17.9%, and daughters 5.7%. According to the respondents, among the main reasons for men’s dominance in decision-making is that men have to lead livestock production and generally have more knowledge about the land, pastures, water, vegetation, winter disasters and droughts, with women being less familiar and less interested in these areas.

The SDC survey found that in general the participation of female herders was significantly less than males in most of the surveyed *soums* in the western *aimags*. Women’s level of participation was more equal in the surveyed *soums* in the central *aimags* of Tuv and Dundgovi. For women, the main reasons were not being able to delegate household task (33.2%) and not being able to delegate the care of children and the elderly (7.3%). These reasons, coupled with a lack of driving skills (21.3%) and the presence of social norms that did not support their involvement (16.3%), contributed to limiting women’s participation. Time and physical distance from meetings were also factors impacting upon women’s participation (19.6%); factors which also were the principal reasons for limited male participation (14.6%), along with not being able to delegate tasks at the household level (13.6%), a lack of information and a lack of civic interest.

According to the Civil Law of Mongolia, the ownership of any property registered after marriage is the common property of all family members; however, if property is registered under only one partner’s name, he/she can sell the property without their partner’s agreement. The majority of household property, 58.5%, is registered under the name of husbands, 10.7% under the name of both husbands and wives, and only 8.5% under the name of wives. In relation to children, 8% of household property is under the name of sons, 3.3% under the name of daughters. In general, 5.7% of property is registered under the name of children, and 2.6% under the name of mothers and children. Livestock, winter and spring camps, motorcycles and other vehicles are mainly registered under the name of husbands. Property outside the local area is mainly under the name of sons due to the tradition of preparing a dwelling for the son when he marries. Winter camp possession certificates are usually issued in the (male) household head’s name⁴³ although women have right to possession title. In the course of the ESIA fieldwork, it was observed that rural women often did not think household property could be registered under their name because family property was registered under the name of the head of the family.

Although the individual circumstances may differ, it will be important for the Project to recognise women as well as men in the provision of any compensation measures, so that women are not worse off following any Project displacement.

⁴¹ Gender analysis in pastoral livestock herding in Mongolia. Swiss Agency for Development and Cooperation, Ulaanbaatar 2015. 366 persons were surveyed in eight soums of eight aimags, including Govi-Altai, Khovd, Umnugovi, Bayan-Ulgii, Zavkhan, Tuv and Dundgov aimags.

⁴² Livestock production includes such decisions as otor and seasonal grazing movements, involvement in pastureland management plans and herd management.

⁴³ This is also confirmed by household survey Mokoro’s research. //landportal.org/pt/library/resources/wolts-research-report-no1/gender-land-and-mining-mongolia

5. Summary of Project Land Requirements and Impacts

5.1. Project Land Requirements

5.1.1. Permanent Land Requirements

Permanent land will be required for the following:

- New substation in Sainshand and the 25 m RoW radius around the substation; and
- Footprint of the OHTL foundations.

The substation land requirement is 62,976m². The following table has been used to assess the total land take of the pylons, which is 29,769 m².

Table 5-1. Summary of pylon land take requirements

Power Line Tower type	Ground Disturbance dimension (m)		Disturbance for each infrastructure (m ²)	Total number of Towers	Total disturbance area (m ²)
Π220-2	5.734	7.2	41.2848	618	25,514.0
Y220-2 + 14	12.2	12.2	148.84	9	1,339.6
Y220-2	9	9	81	36	2,916.0
TOTAL					29,769.60

In addition, there is a permanent land classification of the RoW for the OHTL route, which is 25 m either side of the OHTL route in rural areas and 6 m in Choir and Sainshand cities. However, the designation of this RoW only restricts construction of structures and trees within the RoW; other activities such as grazing can be resumed during operation.

5.1.2. Temporary Land Requirements

Temporary land take will be required for the construction works and construction compounds, including the compounds for workers. Whilst details are not yet available, it is assumed that the Construction Contractor will clear some or all of the 25 RoW along the OHTL and will use this corridor as a working corridor. It is likely that they will also establish two or possible three main camps along the route, either along the route itself or in/near the local villages/cities. Temporary or permanent land will also be required for access (haul) roads, however wherever feasible, existing routes and tracks will be used to minimise land take. It is assumed that existing quarries and borrow pits would be used wherever possible, however, if this is not possible, this would also result in temporary land take.

5.1.3. Avoidance of Impacts

The site of the OHTL route has been such to minimise displacement impacts as far as possible. The route avoided being parallel to the existing 110 kV/35 kV lines as these pass through two *soum* centres, Dalanjargalan and Har Airag before reaching Sainshand. Instead, the route passes through pastureland and the nearest soums settlement is 10 km from the centreline of the OHTL. The existing 110 kV OHTL also crosses across the Shivee Ovoo coal mine, so the route of the Project was specifically changed to avoid the Shivee Ovoo coal mine that is active, and other many smaller transmission lines. The route was further updated in 2021 to avoid two mining concession sites.

5.2. Project Impacts

According to the EBRD (2017)⁴⁴, **physical displacement** refers to the loss of habitation and related fixed assets as a result of land acquisition or expropriation that require people using and occupying those fixed assets to move to another location.

Economic displacement refers to the loss of assets or resources, and/or loss of access to assets or resources that leads to loss of income sources or means of livelihood as a result of project-related land acquisition, clearance or restriction of access to natural resources. People or enterprises may be economically displaced with or without experiencing physical displacement. Economic displacement can be permanent or temporary in nature.

The Project land requirements may result in permanent or temporary impacts. As identified in Section 5.1.2, exact details of all land requirements have yet to be identified, however the permanent land take is unlikely to result in physical displacement. Access restrictions in the RoW during construction will potentially affect herders residing in winter camp using certain portions of impacted pasturelands and therefore, could result in limited economic displacement. This is discussed in more detail below.

5.2.1. Permanent Impacts

Permanent impacts are considered to occur in the pre-construction phase, as land will be acquired prior to the construction works, although its effects may continue into the operation phase.

5.2.1.1. Impacts on Land

The substation at Choir is an existing substation on the outskirts of Choir and therefore no impacts on land ownership or use are anticipated.

The substation at Sainshand will require 62,976 m². This land is not currently being used for any purpose and is state land; and the Sainshand *soum* land authority has agreed to the location of the substation in Sainshand. Therefore, no impacts on land ownership or use are anticipated.

The OHTL route between Choir and Sainshand substations passes predominately in open countryside, across pastureland; though also across two locally protected sites (designated at the *soum* level). This land is officially State land, and all *aimag* governments have allocated land for the Project.

Although officially the land is State owned, according to the Department of Land Management, Construction and Urban Development in Dornogovi and Govi-Sumber *aimags*, as of June 2020, 20% of herders in the two *aimags* have legal possession of a winter camp (in the form of a Possession Certificate). However, as the *aimag* did not provide data on the location of these camps, it has not been possible to date to confirm whether any of these Possession Certificates are located within the land permanently required by the Project along the OHTL other than the data obtained directly from the 22 households interviewed. There are also herder households who do not have a Possession Certificate, however, use the land within the Project AoI for pastures. The final number of herder households both using the land with and without a Certificate will be subject to survey as part of the development of the RAP/LRP for this Project by the Client, or their Technical Consultant (see Chapter 6).

The potential economic impact on the use of land is considered in sections 5.2.1.4 and 5.2.1.5 below.

The OHTL route also crosses five exploratory mining concessions, as shown on Figures 4-5 and 4-6 in Chapter 4. Of these, four are actively under exploration. Exploration licences are granted for an initial three-year term and can be extended up to three times for additional three-year periods. These licences do not restrict other land uses during their period of validity. The maximum period that an exploration licence can be held by a holder is 12 years from the date of initial issuance. The licence does not permit establishment of an operational mine, and therefore, no operational mines are present within the Project footprint. These licences are issued by Mineral Resource Authority of Mongolia (MRAM). The Project has obtained the necessary permission to cross all five sites (as identified in Section 4.2.2).

No impacts will occur on agricultural (crop) land.

5.2.1.2. Impacts on Structures

Land use at the substation sites and within the 25 m RoW radius is shown in Figure 5-1. As can be seen, there are no structures (e.g. commercial or residential buildings) within the 25 m radius RoW. The new substation will therefore not have an impact on structures.

⁴⁴ EBRD (2017) Resettlement Guidance and Good Practice Manual.

The substation at Choir is an existing substation on the outskirts of Choir. The nearest residential structures to the site are several *gers*, located 1.6 km from the substation (and therefore outside the 25 m RoW of the substation). The nearest buildings to the substation are mainly industrial with the town the other side of the railway. The existing substation will therefore not have an impact on any structures.

There are also no residential structures within the 6 m RoW at the departure and arrival points of the OHTL with the substations. However, when approaching the new Sainshand substation the OHTL crosses the planned paved road, the railway line, and the existing electricity line that connects the oil production plant with Sainshand city (Figure 5-2).

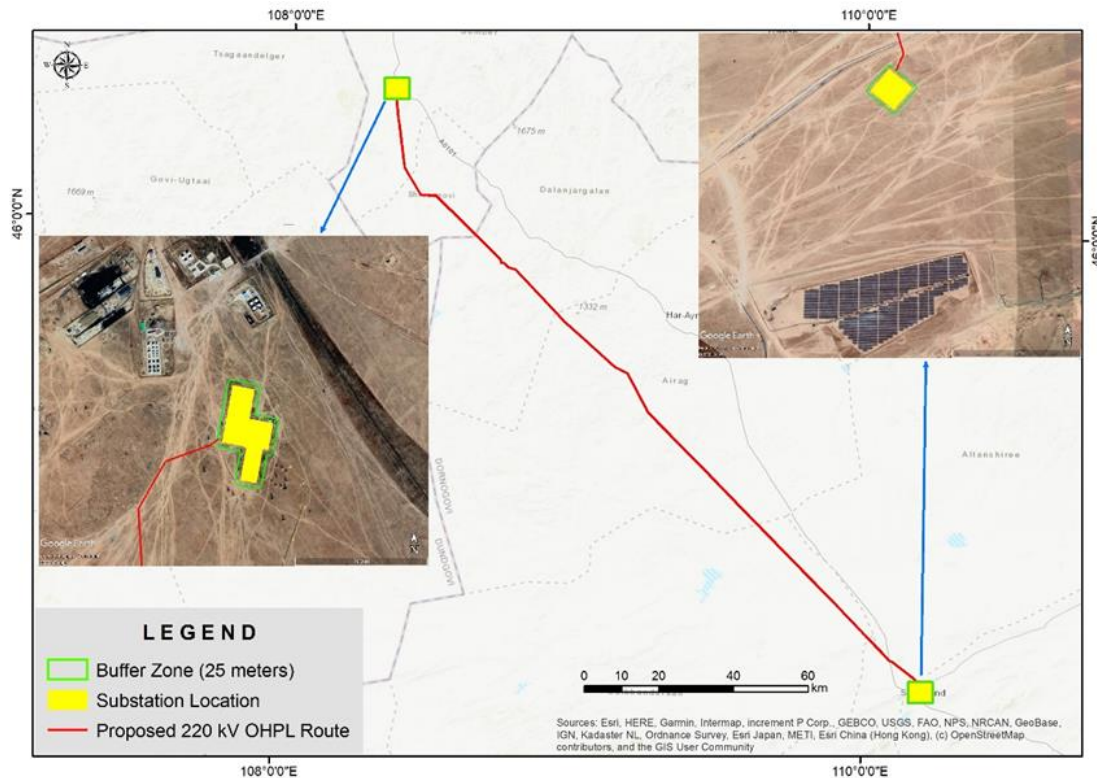


Figure 5-1. Substations and their 25 m RoW

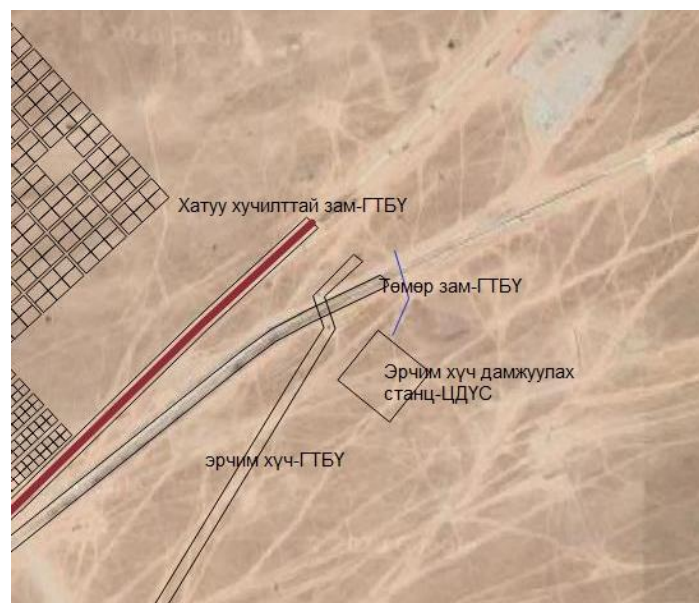


Figure 5-2. Intersection of the OHTL with the planned paved road, railway and electricity line at Sainshand substation

Residential Properties

There are no *soum* residential structures in the 6 km buffer zone. The only inhabitants in the Project Aol are a number of herder-households and their associated winter camp structures, linearly dispersed along the OHTL route.

From information collected at the local administrative level and the field surveys, the estimated number of herder-households (including their household structures) within the buffer zone (6 km) range from 39 to 74+ households. The upper range is currently not known and could exceed 74 households. The locations of these households and residential structures is shown in Figures 5-3 to 5-10. They are presented in vertical order of the route, starting with Sumber and Shiveegovi *soums*. There were 22 *ger* households and their associated winter camp structures present in the Project Aol at the time of the second field mission (8 to 12 June 2020). Their locations are given in Table 5-2.

At the time of the ESIA surveys, no permanent winter camp structures (or any other structures, temporary or permanent) were recorded within the RoW of the OHTL (i.e. 25 m either side of the OHTL centreline). Therefore, no physical displacement of herder household winter camps and wells are anticipated. However, given the closest herder structure is 45 m from the centreline, there could be potential impacts on this camp from noise, dust, etc. and therefore micro-siting of the Project to increase the distance from this site is recommended (see Chapter 6). Furthermore, given the mobility patterns of herders, it will be important for the Project to ensure that no permanent structures, such as shelters and sheds are built in the RoW between now and the cut-off date and/or are affected by any micro-design changes to the route corridor (see Chapter 6).

Table 5-2. Herder-households located in the Project Aol during the 2020 surveys

Project Element	Aimag / Soum	Households present during the Social Survey fieldwork	Distance from RoW	X coordinate	Y coordinate
Transmission line – 23.76 km	Govi-Sumber <i>aimag</i> – Sumber <i>soum</i>	1 household	2.5 km	46°18'11.06"N	108°23'36.01"E
Transmission line – 26.43 km	Govi-Sumber <i>aimag</i> – Shiveegovi <i>soum</i>	2 households in Bagh II	0.2 km	45°59'43.52"N	108°38'13.14"E
			0.6 km	45°59'43.52"N	108°38'13.14"E
				46°01'19.66"N	108°35'20.75"E
Transmission line – 30.61 km	Dornogovi <i>aimag</i> – Dalanjargalan <i>soum</i>	5 households in Bagh III	1.1 km	45°48'17.7"N	108°55'10.3"E
			0.7 km	45°49'34.52"N	108°53'44.7"E
				45°51'33.97"N	108°53'52.16"E
			2.6 km	45°52'59.61"N	108°52'27.89"E
Transmission line – 78.76 km	Dornogovi <i>aimag</i> – Airag <i>soum</i>	5 households in Bagh I		Bagh I	Bagh I
		4 households in Bagh III	1.7 km	45°45'45.55"N	109°02'24.12"E
			4.3 km	45°47'15.39"N	109°02'56.27"E
			1.7 km	45°45'45.28"N	109°02'24.09"E
			2.1 km	45°41'00.99"N	109°05'44.14"E
			2 km	45°32'54.64"N	109°15'29.94"E
				Bagh III	Bagh III
			1.6 km	45°28'48.84"N	109°21'54.86"E
			18.9 km ⁴⁵	45°47'56.08"N	109°18'58.25"E
			11.7 km ⁴⁶	45°41'14.86"N	109°19'25.67"E
			3.1 km	45°28'53.86"N	109°20'09.96"E

⁴⁵ The household member is interviewed at the Airag *soum* center during the field survey.

⁴⁶ Same as above.

Project Element	Aimags / Soums	Households present during the Social Survey fieldwork	Distance from RoW	X coordinate	Y coordinate
Transmission line – 43.32 km	Dornogovi aimag – Saihandulaan soum	4 households in Bagh III	5.2 km 0.5 km 0.4 km 0.7 km	45°08'37.03"N 45°06'33.02"N 45°13'19.02"N 45°13'21.21"N	109°47'00.68"E 109°54'59.43"E 109°45'29.59"E 109°45'04"E
Transmission line – 13.16 km	Dornogovi aimag – Altanshiree soum	0 households			
Transmission line – 0.16km and substation	Dornogovi aimag – Sainshand soum	1 household in Bagh III	4.3 km	44°56'27.17"N	110°15'06.02"E
Total households present during field survey		22			
Total number of additional winter shelters identified on the field visit		39			
No. households registered with the local authorities		74			

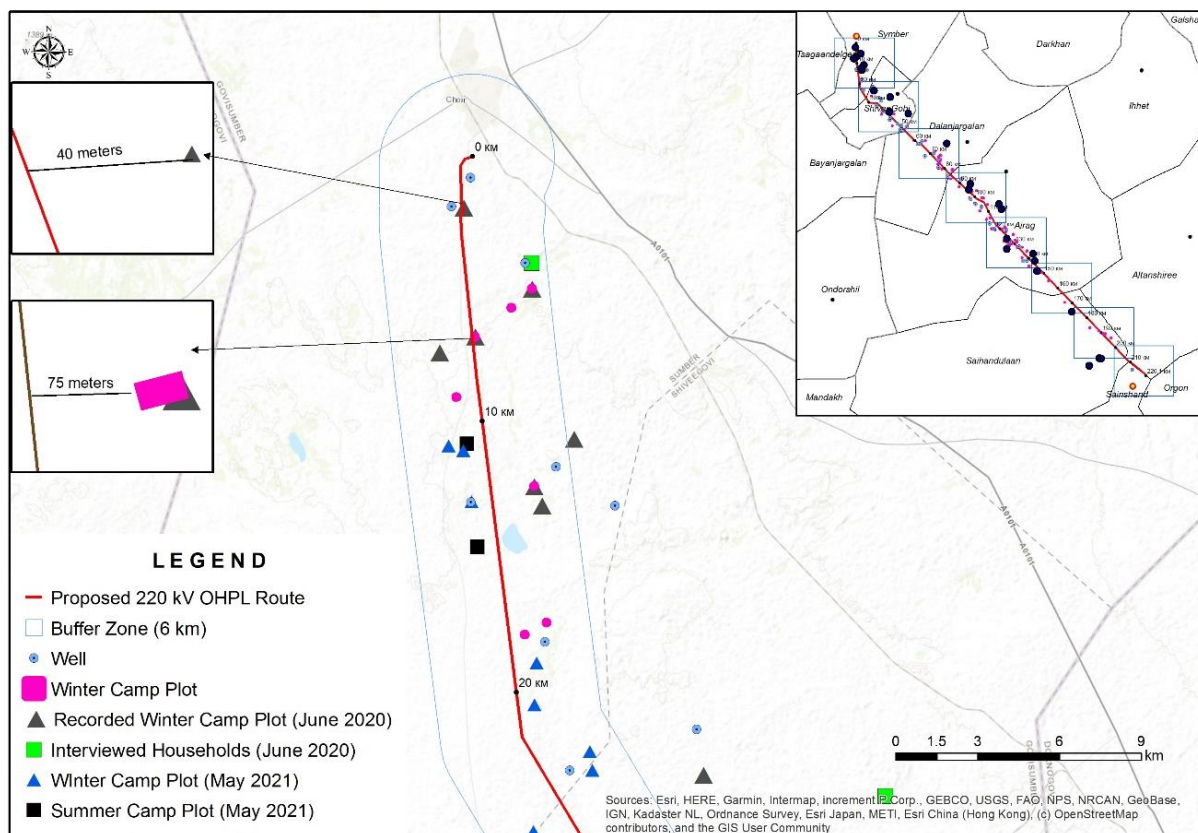


Figure 5-3. C and wells in 0-20th km of OHTL route

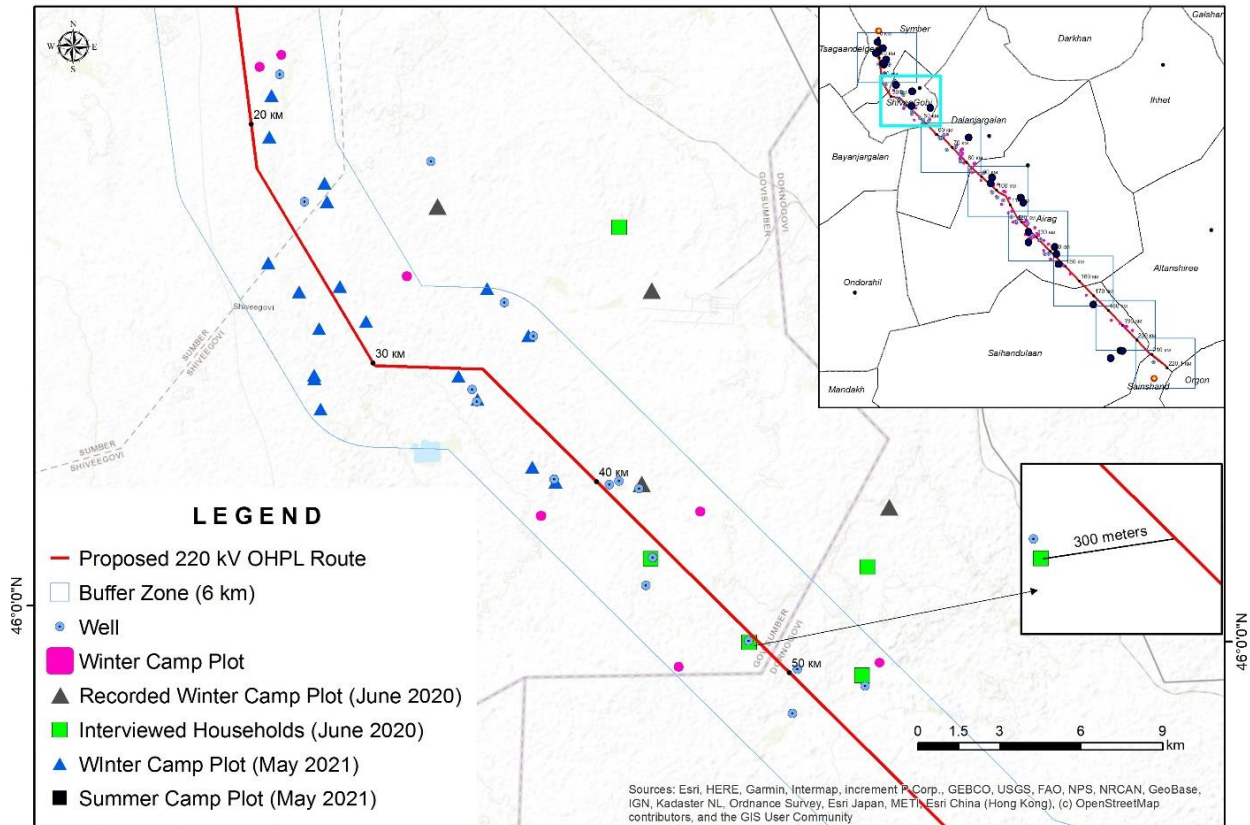


Figure 5-4. Camps and wells in 20-50th km of OHTL route

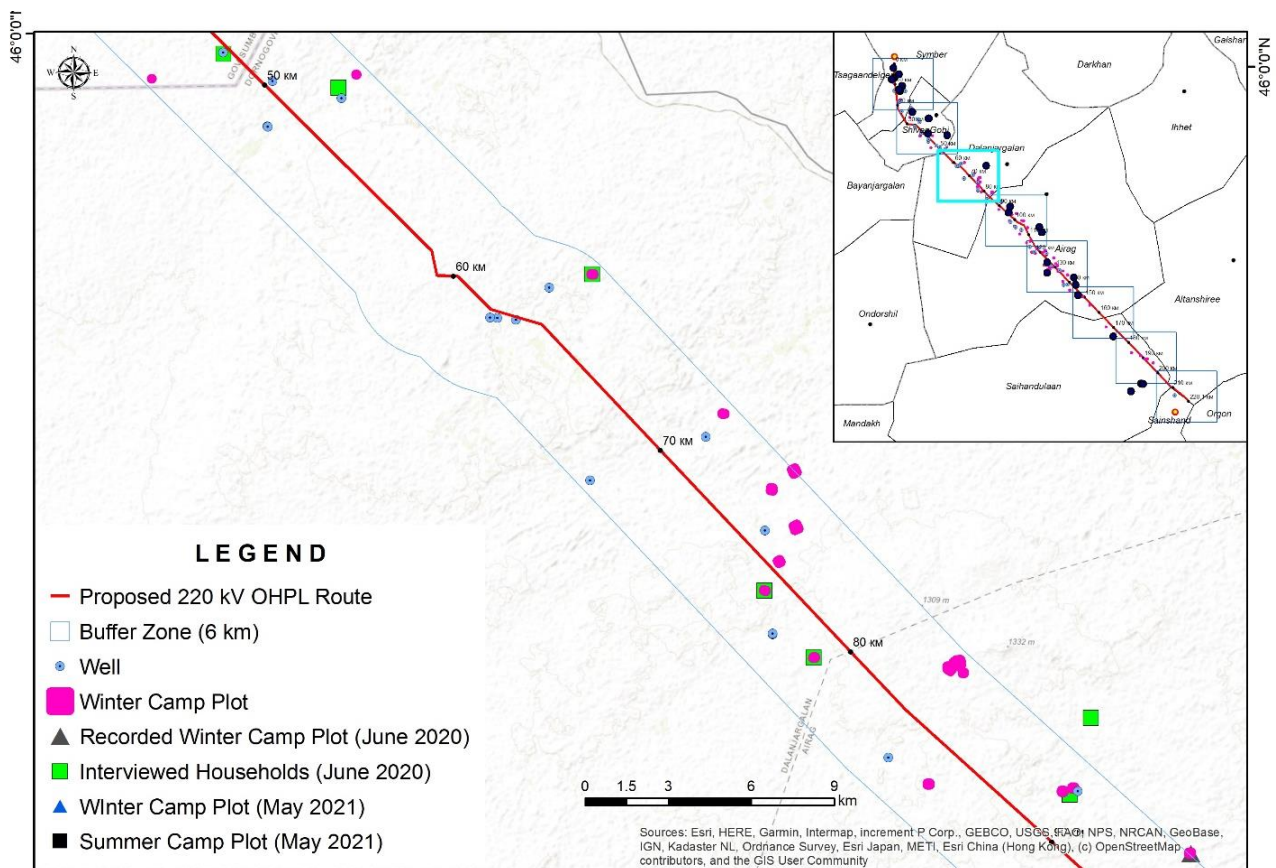


Figure 5-5. Camps and wells 50-80th km of OHTL route

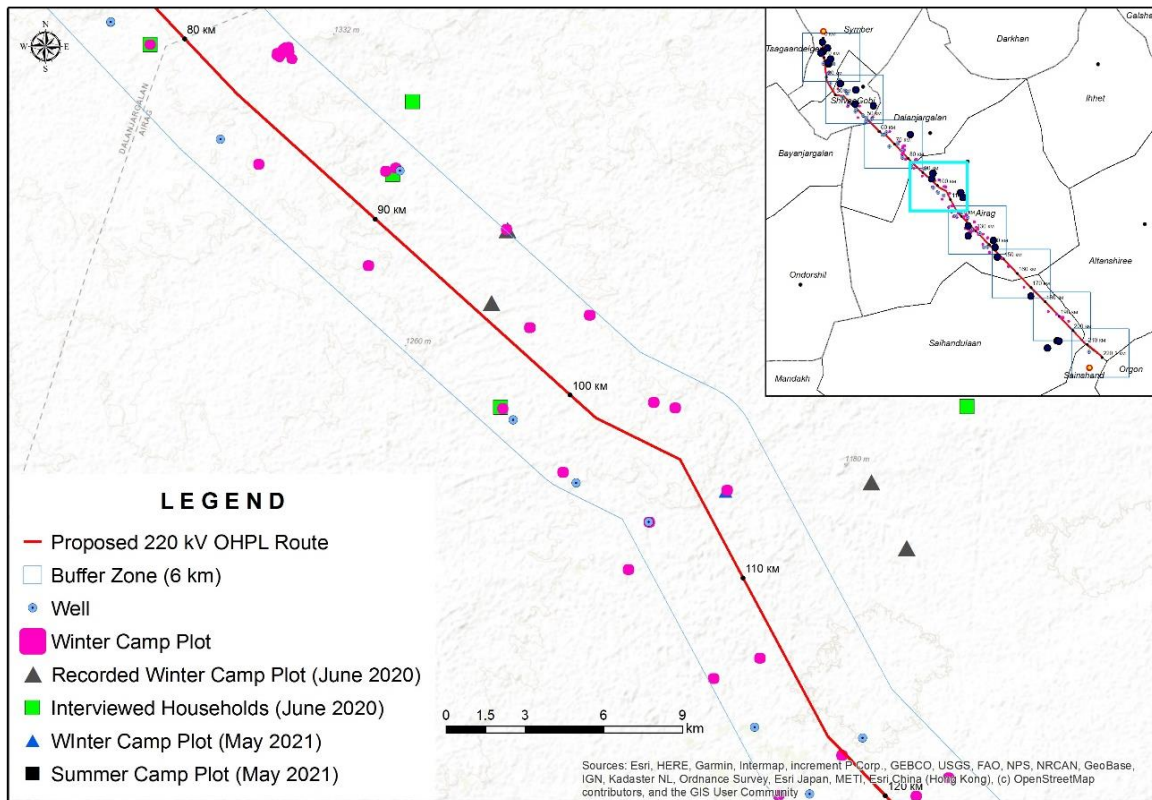


Figure 5-6. Camps and wells in 80-110th km of OHTL route

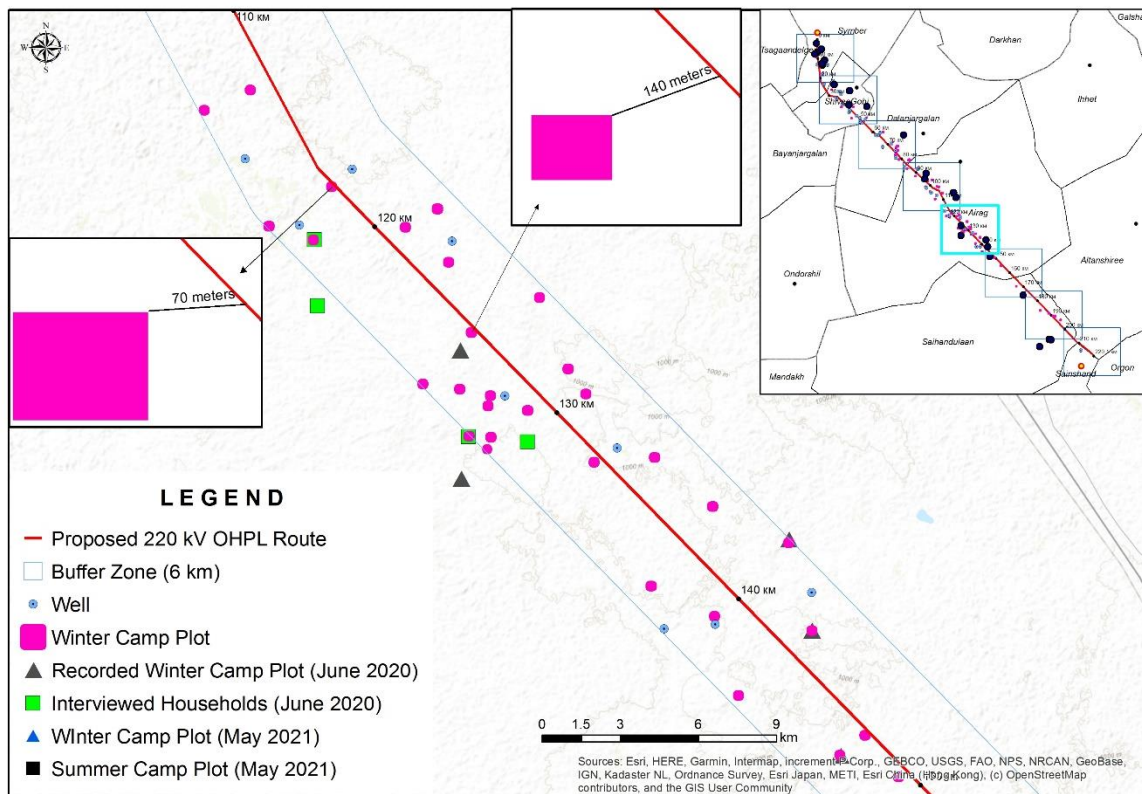


Figure 5-7. Camps and wells in 110-140th km of OHTL route

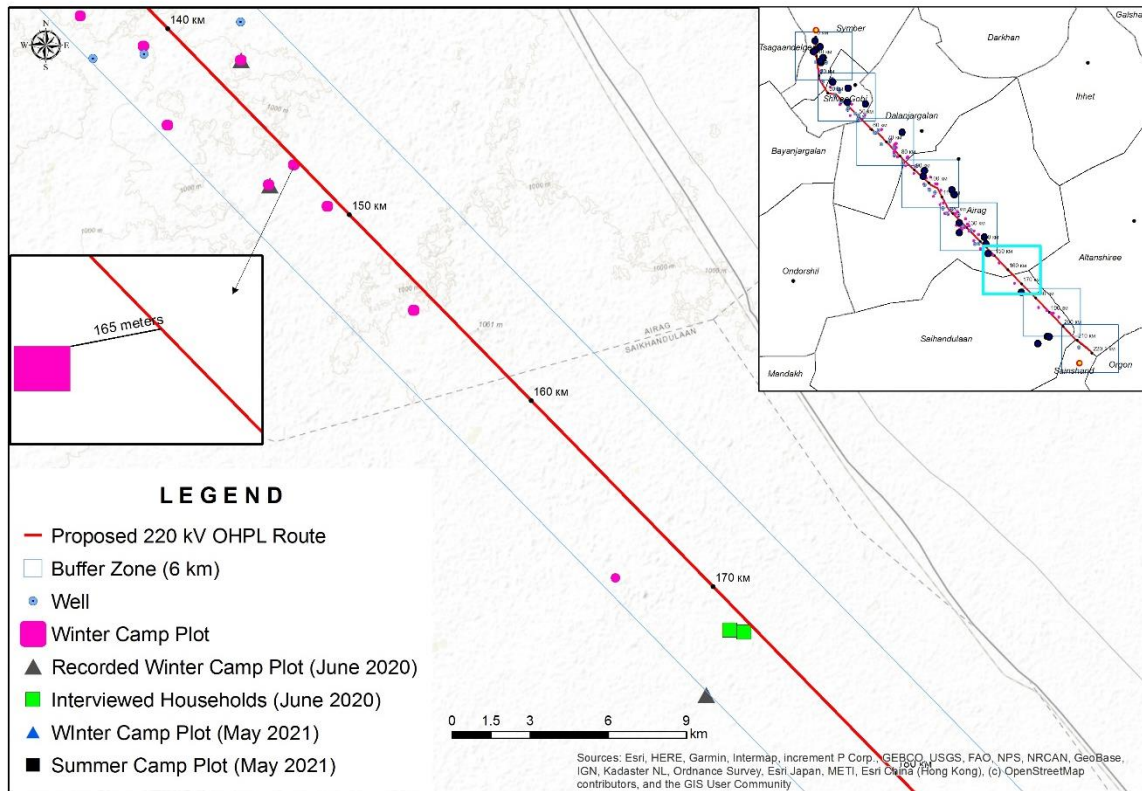


Figure 5-8. Camps and wells in 140-170th km of OHTL route

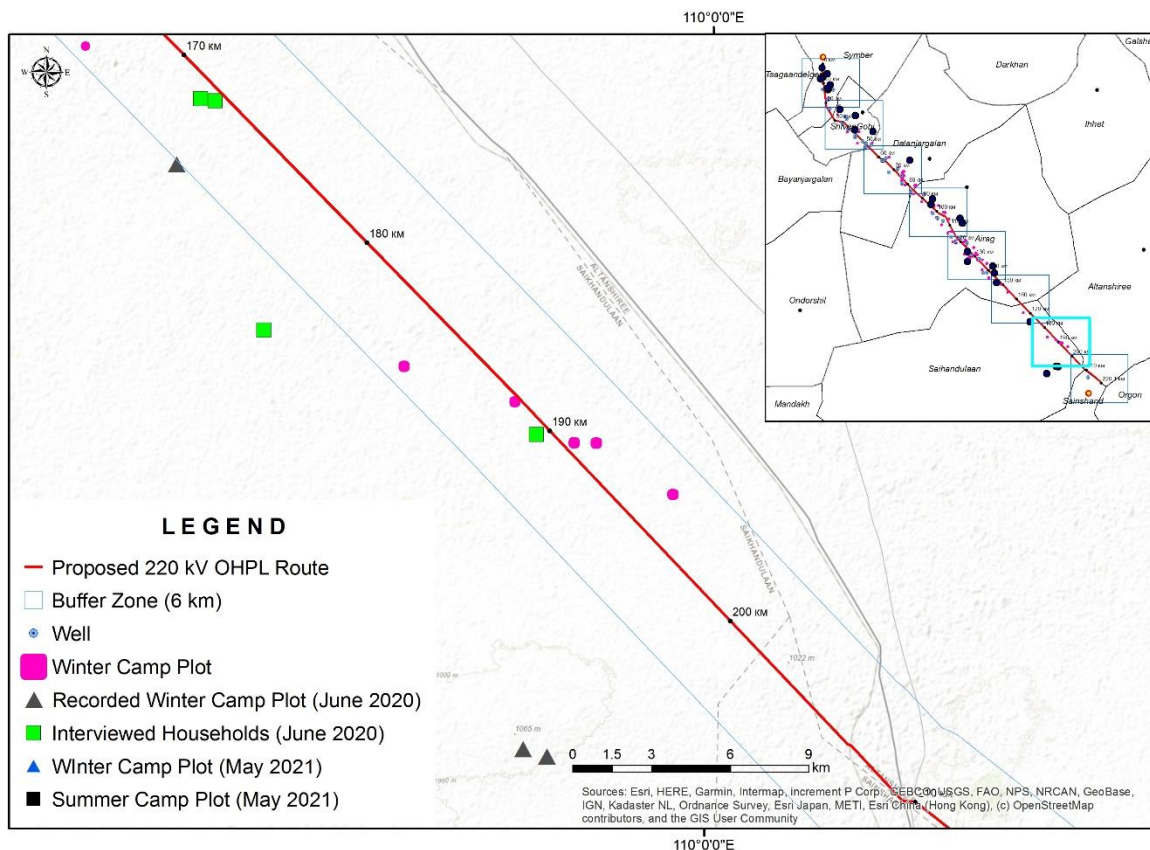


Figure 5-9. Camps and wells in 170-200th km of OHTL route

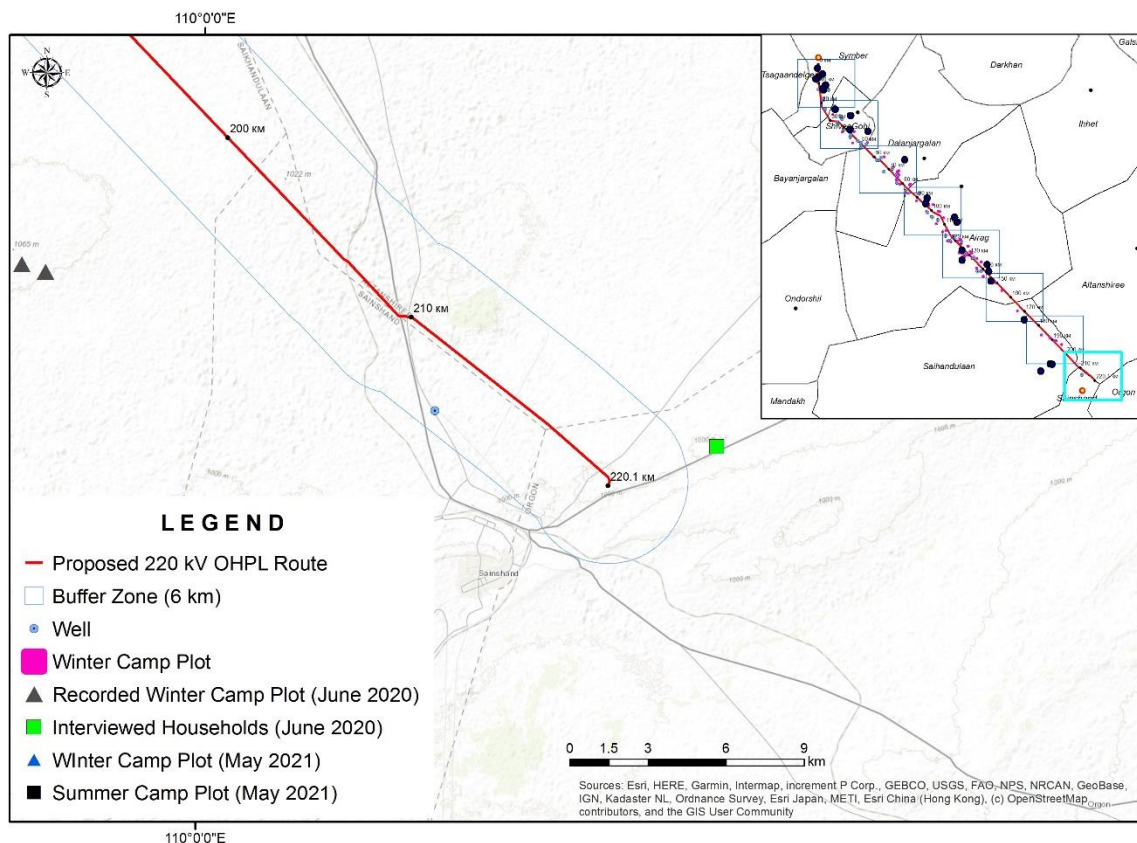


Figure 5-10. Winter camps and wells in 200-220th km of OHTL route

Impacts on Other Structures

The only other structures observed in the OHTL buffer zone were groundwater wells.

Information obtained from Umdar Gobi River Basin Authority noted over 262 wells and 13 *bulag* (springs) within a 10 km zone around the OHTL route, as shown in Figure 5-11. Within the 6 km buffer zone, 51 wells were mapped by the local administrations. Of these, none are within the 25 m RoW and only three wells (one of which was unused) were identified by the Project ESIA within 300 m of the OHTL centreline and a further three wells within 600 m. . These were located at KMs 20-30, 40, 60, and 180-190 and were not owned by the herder households interviewed (see Table 5-3). No wells were identified within the 25 m RoW and therefore would be directly affected (require relocation) by the Project. However, once the final route of the OHTL is determined, this would need to be confirmed by Client as part of the survey of affected assets (see Chapter 6).

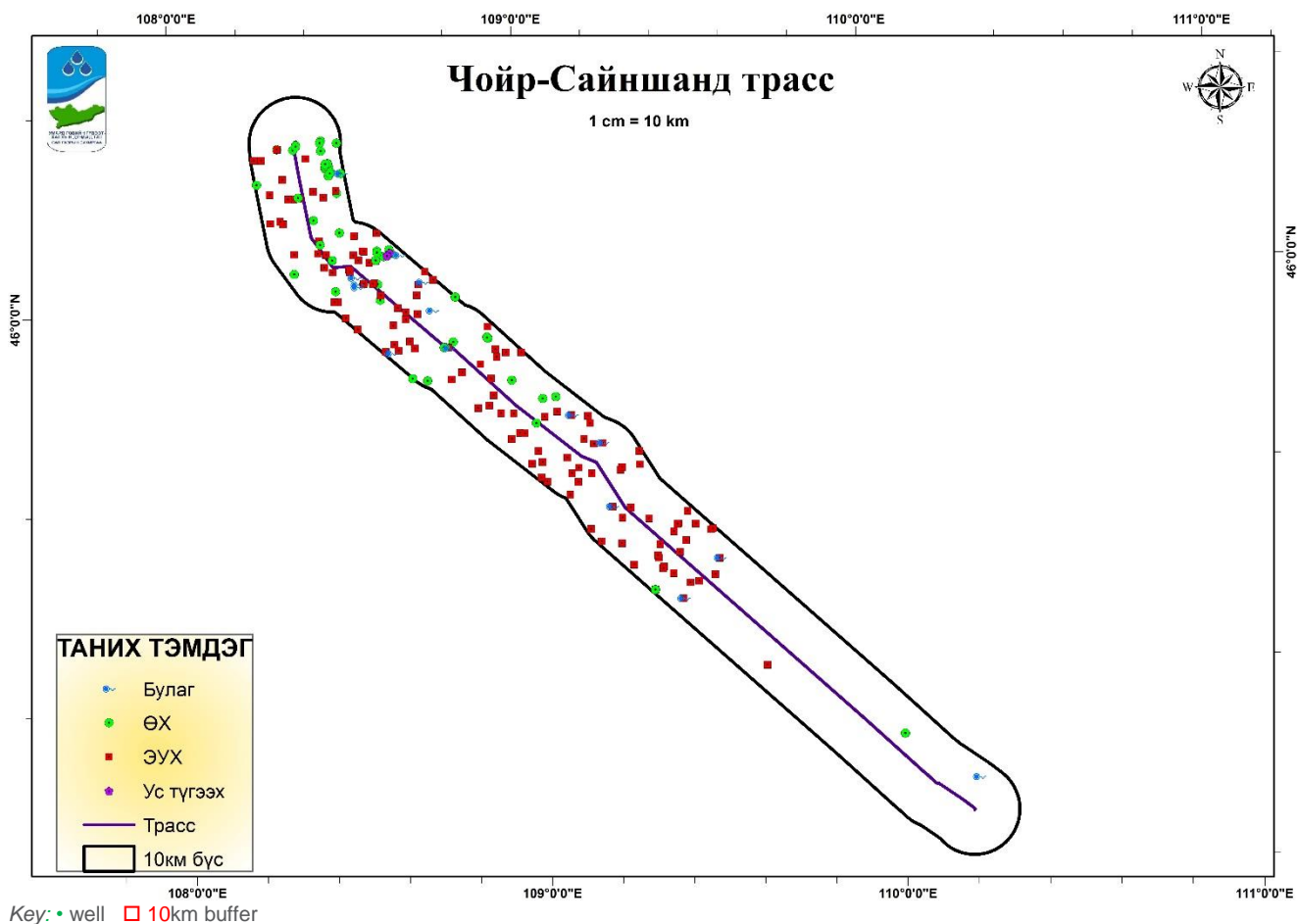






Figure 5-11. Locations of wells within a 10 km buffer zone of the OHTL

Source: ESIA Field Team and Umard Gobi River Basin

Table 5-3. Groundwater wells closest to the OHTL

Type of well	Location (km)	Depth and water Levels	Distance from ROW	Users/Details
	Between KM 20-30 N46° 6' 32.753", E108° 26' 13.837"	8m deep, 4m to water level	383 m	Well, Winter Quarter
	Between KM 20-30 N46° 5' 41.431", E108° 27' 14.335"	34m deep, 18m to water level	600 m	Well, tree nursery/plantation

Type of well	Location (km)	Depth and water Levels	Distance from ROW	Users/Details
Agtny well 	Between km 180 and km 190 N45°06'14.8, E109°55'43.5	12m deep, 7m to water level	170 m	10 households use for drinking and for 12,000 head of livestock Pumped by generator
Biluut well 	Km 60 N45°54'41.7, E108°46'36.4	2m deep, 0.7m to water level	130 m	Well owner dug it in 1998. 10-20 herder families use for drinking and 4,000 head of livestock Pumped by hand
Well (unnamed) 	Km160 N45°14'31.3, E109°38'20.7	No information - locked	550 m	No information
Unused well 	Km 40 N46°2'46.46", E108°34'5.02"	Unused	260 m	-

Source: ESIA Field Team

5.2.1.3. Impacts on Protected Sites

As identified in Chapter 4, there are two Locally Protected Areas that are within the OHTL RoW: Togootliin Khonkhor (Nature and historical heritage area - 15,115.78 m²) and Bornuruu (Special purpose - 3,443.56 m²). There will be a permanent loss of land within these community sites under the footprint of the Project pylons; however, it is not currently known how many pylons and therefore the total land loss as a percentage of the total designated area will be permanently lost within each site. However, given the small footprint of each pylon and that the land use will not be restricted during operation under the footprint of the OHTL, it is not anticipated that significant impacts on the functioning of the protected sites will occur; or that this will have any impact on herders.

5.2.1.4. Impacts on Businesses

As identified above, there are five mining concessions in the footprint of the OHTL RoW. Therefore, the Project could result in the loss of mining exploration possibilities within the RoW. However, as four of the concessionaires have agreed to the OHTL passing through their licence area; and one licence was not put up for renewal covering the land under the OHTL, the loss of land is not considered to have an adverse effect on any future potential economic return of mining operations at these sites Mining would still be possible in the lands adjacent to the OHTL.

5.2.1.5. Impacts on Livelihoods

As identified above, there are 74 herder-householders registered in the buffer zone, and could potentially be more unregistered herder-households. It is considered unlikely that herders from neighbouring *soums* will have access to these pasturelands, as the *Soum* governments regulate pasture use for those within their *soum* only (to avoid overgrazing). Nonetheless, the total number herder-households in the final RoW will need to be established by the Client through detailed field survey (see Chapter 6). Given the small footprint of the pylons, no permanent impacts on the livelihoods of herders is anticipated as herders will still have access to pastures within the RoW.

5.2.2. Temporary Impacts

During construction, the works will result in temporary restrictions of access to land due to the need for construction compounds, access roads and the construction works.

5.2.2.1. Impacts on Land

Although details are not yet available, it is assumed that the construction works can for the most part be restricted to the 25 m RoW corridor, and therefore additional land requirements will be minimal. As identified for the permanent impacts, land is State owned and therefore, it is expected that the Contractor will be negotiate the temporary use of any land at the *soum* level without the need for any involuntary displacement. It is also expected that the Contractor will select sites to any temporary loss of access to land under Possession Certificates.

5.2.2.2. Impacts on Structures

Depending on the siting of construction facilities, temporary land requirements could result in the loss of structures; however, it is assumed that given the availability of land in the AoI, the Contractor will site facilities to avoid any physical displacement or the need to relocate structures. It is possible that construction works could result in an adverse impact on wells or *gers*, for example due to vibration impacts of HGVs movements in the vicinity and/or accidental damage due to movement of equipment and HGVs.

5.2.2.3. Impacts on Businesses

Depending on the siting of construction facilities, temporary land requirements could result in a temporary loss of access to land under mining concession licence. However, it is assumed that wherever possible, the Construction Contractor would avoid these sites.

5.2.2.4. Impacts on Livelihoods

The main impact of the Project during construction will be the temporary loss of access to grazing lands. As identified above, there are 74 herder householder winter camps recorded with the local *soum* in, and therefore using, the buffer zone, and there could potentially be more unrecorded herder households; as well as herders within the *soum* and possibly from neighbouring *soums* who are using the pasturelands in the Project Area. All of these users, regardless of land status, could be affected. There is also a risk to livestock grazing close to the construction site mainly from collisions with construction vehicles and equipment.

Construction programmes are not yet available. However, it is likely that impacts, for the whole, will be for a short period of time during intense period of construction activities where these take place near people using nearby grazing pastures and will be managed through the Environmental and Social Management and Monitoring Plan (ESMMP); including advance warning of works; as well as implementation of a community grievance mechanism. The magnitude of the potential impact during construction on the temporary loss of access to grazing lands will depend on whether the works are undertaken in winter (when the land is in greater use) or in summer (when fewer herder households remain – around five households according to the ESIA survey).

Dust emissions from the construction works may also further limit availability of pasturelands for grazing through dust settling on vegetation that, in severe cases, could render the vegetation unfit for grazing. Transport and increased traffic during construction work are not expected to have impacts on livelihoods. However, the Project needs to carefully plan the location of the access road so that it will not impact on daily activities of herders around the Project site.

Overall, as according to the statistics 94.7% of the total land in the seven Project *soums* is allocated for agriculture, but used primarily for grazing, no significant impact on herder livelihoods is anticipated. Though the pastureland in the Project site is already highly degraded due to climate and human factors and the quality of the pasture in this area is already compromised; it is not anticipated that the Project will not contribute to any

long-term deterioration. This is based on the fact that the long-term permanent landtake i.e. the pylons, is small and that there will be no long-term impact on access to land i.e. the OHTL does not restrict access across the pasturelands once constructed. As a precautionary measure, during the detailed survey of affected persons it is recommended that further information is collected in relation to use of grazing lands of affected households in closer proximity to the RoW so that any potential temporary impact on grazing habitats (e.g. dust impacts) and access can be compared against the baseline and, where necessary, measures taken to address any adverse impacts (see Chapter 6 for proposed entitlements). This may include, for example, identification of any loss of livelihoods resulting from any temporary loss of access to herder wells due to temporary restrictions across the corridor whilst construction works are taking place.

5.2.3. Summary of Impacts

In summary, the following displacement may occur:

Table 5-4. Summary of Project displacement impacts

Displacement Category	Impact source	Type of displacement / impact of loss
Permanent loss of land or access to land	Footprint of the Project	Loss of State land Loss of mining concession licences (5no.) Loss of land within locally protected sites (2no.)
Temporary loss of land or access to land	Construction compounds and land requirements for access roads, etc.	Loss of State land Potential loss of access to mining concession licence areas Potential loss of access to land within locally protected sites
Loss or relocation of winter camps and associated land	Footprint of the Project and construction works areas.	Loss of land or access to land potentially under Possession Certificate Loss of land used by recorded/registered and unregistered herders Although no winter camps are identified within the RoW, if the area of grazing land becomes unviable during construction or the impacts of construction could significantly adversely affect the closest camps (e.g. from dust, vibration, noise, etc.) the Project may need to assist those affected herder household winter camps (registered and non-registered) Furthermore, new winter camps might have been set up in the RoW since the ESIA June survey and the detailed surveys/start of construction.
Loss or relocation of wells	Footprint of the Project and construction works areas. Accidental damage.	No groundwater wells have been identified within the RoW. However, there are 3 wells within closer proximity (within 300 m of the OHTL centreline, located within 300 m of the centreline, at Kms 60 and 180-190) and there may be others within or close to the final design/construction works/camps, etc.
Loss of income and/or livelihoods	Permanent and temporary Project footprint.	There are 74 recorded/registered herder households in the 6 km buffer zone. The total number may be greater than this. Though no livelihoods impacts are currently envisaged, if the detailed surveys indicate that there will be a loss of access to pasture and/or wells during construction, or degradation of pastureland due to increased dust fall out from construction works, these could have an adverse impact on herder livelihoods.

6. Framework for Compensation and Livelihood Restoration

6.1. Introduction

This section sets out a land acquisition, compensation and livelihood restoration framework to meet EBRD PR5.

6.2. LARF Principles

The key principles for compensation, resettlement and livelihood restoration associated with the Project to meet EBRD PR5 are:

- Consideration of alternative design/location options for temporary works to avoid or at least minimise physical and economic displacement;
- Mitigate adverse social and economic impacts from the Project related to land requirements;
- Implementation of resettlement and compensation in compliance with Mongolian legislation and EBRD PR5;
- Detailed socio-economic survey of final PDPs to assess all individual impacts, provide baseline information and design appropriate compensation measures;
- All physically or economically displaced PAPs will receive compensation measures;
- Where PDPs obtain their livelihood from the land e.g. herding, where feasible, land-based compensation will be sought; where this is not feasible, additional livelihood restoration measures will be considered;
- Consultations will be organised, and information provided to PDPs throughout the development and implementation of a RAP/LRP.
- The cut-off date for the establishment of eligibility will be communicated to local communities; no compensation will be due beyond the cut off date;
- Official valuation of properties/improvements to land will be carried out by designated certified valuers where relevant;
- Compensation for all affected assets will be provided at full replacement cost.
- Assistance will be provided to PDPs in restoring their affected livelihoods;
- Specific assistance will be provided to vulnerable groups;
- Compensation will be implemented in a gender-sensitive manner; all compensation and livelihood restoration assistance will be provided equally to men and women;
- Compensation will be provided prior to taking possession of acquired assets, and as a rule prior to the occurrence of physical and economic displacement;
- A grievance mechanism will be implemented through which all affected people can submit their complaints and grievances in relation to compensation and resettlement and expect a timely answer; and
- Monitoring of all compensation, resettlement and livelihood restoration activities will be carried out regularly.

6.3. Key Definitions

The following key definitions will be used:

Table 6-1. Key definitions

Term	Definition
Compensation	The terminology used for the range of measures comprising cash or kind compensation, relocation cost, rehabilitation assistance, transfer assistance, income substitution, and relocation which are due to eligible PDPs, depending on the type, degree and nature of their losses as a result of the Project.

Term	Definition
Cut-off Date for Eligibility to Entitlement	Date following the completion of the census and assets inventory of persons affected by the project. Persons occupying the project area after the cut-off date are not eligible for compensation and/or resettlement. Similarly, fixed assets (such as built structures, crops, fruit trees, and woodlots) established after the date of completion of the assets inventory, or an alternative mutually agreed on date, will not be compensated.
Economic Displacement	Loss of assets or resources, and/or loss of access to assets or resources that leads to loss of income sources or means of livelihood as a result of project-related land acquisition, clearance or restriction of access to natural resources. People or enterprises may be economically displaced with or without experiencing physical displacement.
Eligibility	Any person(s) who at the Cut-off-date had assets within the area affected by the project and are affected by the project. Eligibility is irrespective of (a) formal legal rights to land, (b) customary claim to land or asset, or (c) no recognizable legal right or claim to the land displaced persons are occupying.
Entitlement	Any person who is entitled to compensation due to loss of assets.
Expropriation	The process whereby a public authority, in return for compensation, requires a person, household or community to relinquish rights to properties (land and structures) that it occupies or otherwise uses.
Host population	People living in or around areas to which people physically displaced by a project will be resettled. The host population may, in turn, be affected by the resettlement or even be displaced themselves.
Involuntary resettlement	Resettlement is considered involuntary when affected individuals or communities do not have the right to refuse land acquisition that will result in displacement. This occurs in cases of lawful expropriation or restrictions on land use based on eminent domain; and in cases of negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail.
Land Acquisition	Land acquisition includes both outright purchases of property and purchases of access rights, such as rights-of way.
Land owner	In legitimate control of the land, with the right to dispose of it. Only a citizen of Mongolia can own land. Ownership rights are registered in accordance with the Law on Registration of Property Ownership Rights and other related Rights.
Land possession	In legitimate control of the land in accordance with purpose of its use and terms and conditions specified in respective contracts and where contracts for possession are registered in the national registry.
Livelihood	A livelihood comprises the capabilities, assets and activities required for a means of living such as: <ul style="list-style-type: none"> • Wages from employment • Cash income earned through an enterprise or through sale of produce, goods, handicrafts or services • Rental income from land or premises • Income from a harvest or animal husbandry • Share of a harvest (such as various sharecropping arrangements) or livestock production • Self-produced goods or produce used for exchange or barter • Self-consumed goods or produce • Food, materials, fuel and goods for personal or household use or trade derived from natural or common resources • Pensions • Various types of government allowances (child allowances, special assistance for the very poor) • Remittances from family or relatives.
Physical displacement	Loss or relocation of structures resulting from the acquisition or clearance of land associated with a project which requires the affected person(s) to move to another location.
Project Displaced Household (PDH)	All members of a household, whether related or not, operating as a single economic unit, who are directly affected by the land acquisition or clearance of the Project.
Project Displaced Person (PDP)	Any person who, as a result of the implementation of a project, loses the right to own, use, or otherwise benefit from a built structure, land (residential, agricultural, or pasture), annual or perennial crops and trees, or any other fixed or moveable asset, either in full or in part, permanently or temporarily.
Resettlement	Loss of shelter and assets resulting from the acquisition or clearance of land associated with a project that requires the affected person(s) to move to another location.
Replacement Value	The rate of costs for lost assets will be calculated at full replacement cost, that is, the market value of the assets plus transaction costs. In determining the replacement cost, depreciation of the asset and the value of salvage materials are not taken into account, nor is the value of benefits to be derived from the Project deducted from the valuation of an affected asset.
Resettlement assistance	Support provided to people who are physically displaced by the Project. Assistance may include transportation, food, shelter, and social services that are provided to affected people during their relocation. Assistance may also include cash allowances that compensate affected people for the

Term	Definition
	inconvenience associated with resettlement and defray the expenses of a transition to a new locale, such as moving expenses and lost work days.
Stakeholder	Any and all individuals, groups, organizations, and institutions interested in and potentially affected by the Project or having the ability to influence the Project.
Squatter / illegal land user	A person with no legal rights to the land or structures they are using.
Vulnerable Groups	Vulnerable groups refers to people who, by virtue of gender identity, sexual orientation, religion, ethnicity, indigenous status, age, disability, economic disadvantage or social status may be more adversely affected by project impacts than others and who may be limited in their ability to claim or take advantage of project benefits. Vulnerable individuals and/or groups may also include, but not be limited to, people living below the poverty line, the landless, the elderly, women and children-headed households, refugees, internally displaced people, ethnic minorities, natural resource dependent communities or other displaced persons who may not be protected through national legislation and/or international law.

6.4. Compensation, Resettlement and Livelihoods Restoration Process

The land acquisition process, and any compensation and livelihood restoration measures required, will be undertaken in accordance with national legislation and EBRD PR5 requirements. If displacement impacts are identified following detailed design, there will be a need to develop a detailed RAP and/or LRP for the Project.

The overall process to be followed is summarised in Figure 6-1. The section below provides a framework that sets out the principles to be followed; it describes the planned process of implementation, setting out the detailed steps for future actions required to develop a Project RAP/LRP.

These steps below must be completed prior to construction on site. The organisational framework for the preparation of a RAP/LRP is presented in Chapter 9. A summary of all actions is provided in Table 9-1 in Chapter 9.

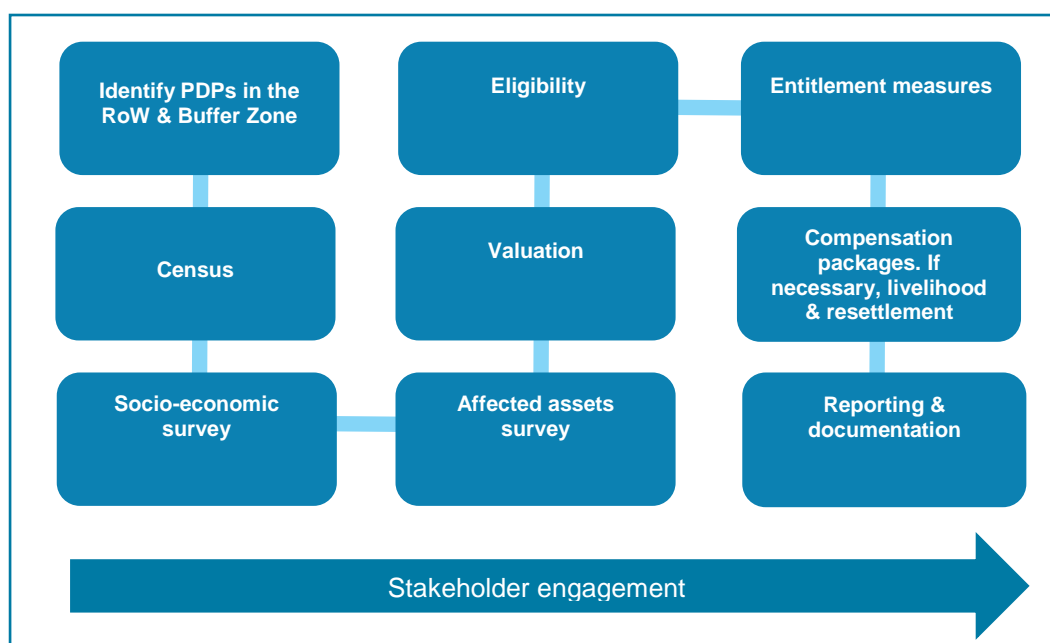


Figure 6-1. Compensation, resettlement and livelihoods restoration process

6.4.1. Stakeholder Engagement

The Client, or their Technical Consultants, will need to undertake stakeholder engagement with affected persons to meet the requirements of EBRD PR5 and PR10. Engagement should be undertaken with potentially affected persons prior to the verification surveys (see section 6.4.2), during which time the RAP/LRP process will be explained to stakeholders, their views recorded, and the grievance mechanism disclosed. The PDPs will also be informed of the cut off date in this meeting (see section 6.5). A summary of the engagement activities undertaken in developing the RAP/LRP will be recorded and how their views were taken into account in preparing the RAP/LRP will be recorded.

As the compensation measures are identified, PDPs will be given the opportunity to participate in the eligibility requirements, negotiation of the compensation packages, resettlement assistance and suitability of proposed resettlement sites and proposed timing, where applicable.

Engagement with PDPs will also continue during the implementation, monitoring and evaluation of compensation payment and resettlement to ensure that the views and issues of PDPs can be recorded and, as necessary, addressed.

Where necessary, additional consultation will be undertaken with PDPs (or their households) who have been identified as vulnerable.

6.4.2. Verification of Impacts

The displacement impacts identified in this LARF should be verified through detailed survey work as described in sections 6.4.2.1 to 6.4.2.5 by the Client, or their Technical Consultant, once the detailed design has been confirmed. These activities must be completed prior to construction works on site. Prior to the start of any census or surveys, initial sensitisation with the herder communities/winter camp users should take place.

6.4.2.1. Census

A record should be obtained of all individuals and households that could be affected by the Project; specifically, this will require identification of all herder households in the RoW and at least 500 m either side of the centreline. Whilst *aimag* data are available on those that are recorded/registered on the land; the survey should include all herder camps and structures, regardless of whether they are in the *aimag* database. These data will be collected through a number of activities, including liaison with officials at the *aimag* and *soum* level; field surveys; and talking with herder-households present to establish other herder households that may be using the area unofficially. The survey may need to be undertaken at more than one time of year, to capture those households that move to summer pastures.

All persons that could be affected by the Project, regardless of whether they are recorded in the local administrative records or not – or whether they are actually living on an affected site at the time of the census – will be recorded. The census will enumerate these PDPs; and register them according to location. A socio-economic survey of these PDPs should also be conducted (see section 6.4.2.3).

Survey sheets will be used to record the relevant information, such as:

- Name and family particulars;
- Demographic information on social classification, education and occupation of each family member;
- Skill base/education level for each member;
- Sources of income/livelihood;
- Total household income (from all sources);
- Details of family expenditure;
- Use of social structures and resources;
- Details of winter camp / structure ownership and camp tenure status;
- Details of summer camps and pastures used;
- Identification of vulnerability; and
- Contact details.

Photographs of the PDPs should be taken, where permission is provided, to supplement identification and enable transparency with respect to assets.

6.4.2.2. Asset Inventory

An asset inventory should be undertaken of all assets that may be affected as a result of the Project's final design. This should cover all land required temporarily for construction purposes as well as permanent land required for the Project.

Affected assets (as identified in this LARF) should be verified together with the asset owner/user and local *aimag* or *soum* officials. Survey sheets should be used to record the relevant information and photographs should be taken of all affected assets, and a Mobile Mapper GPS unit used to record the surface area of each asset. Records will be made of all moveable assets, such as *gers*, and all non-moveable assets, such as animal shelters at winter camps and herder wells.

The surveyors will also identify whether the PDPs have Possession Certificates (evidence will be required and, where necessary, verified at the *soum* level); and the land associated with these Certificates will be recorded. For PDPs identified without Possession Certificates, the name on the certificate (e.g. just the husband, or husband and wife), the area of land being used for winter camps as well as for grazing will be recorded.

6.4.2.3. Socio-Economic Surveys

The socio-economic survey is used to determine and analyse the broader socio-economic conditions and context of individuals, households and businesses which will be physically and economically displaced by the Project. A socio-economic survey will be required of any additional PDPs identified in the above survey work. The survey used in the ESIA Report can be re-used for this purpose. In addition, these surveys should ensure that data are collected on the use of grazing lands by PDPs; the purpose of this is to understand whether the works during construction could limit accessibility to key grazing lands for PDPs.

6.4.2.4. Identify Vulnerable People / Groups

For the PDPs identified, the vulnerability of any persons within the PDP's household will be determined through the census/socio-economic surveys and one-to-one engagement with the PDP where their needs, or those of their household members can be determined.

6.4.2.5. PDP Database

An electronic database should be developed to record all census, asset and socio-economic data collected during the surveys. A summary of all PDP socio-economic baseline conditions will be included in the RAP/LRP.

6.5. Cut Off Date

The cut off date is the date for all claims against the assets within the project affected area. No entitlement to compensation will be accepted beyond the cut off date. With regard to the cut-off date for eligibility, in general this is taken to be the date of completion of the census and socio-economic surveys at any one site.

Once the date for the above surveys are confirmed, the Client or their Technical Consultant should undertake the following:

- Disclosure of the LARF and Eligibility and Entitlements matrix; and dates of the surveys; with the *soum* governor.
- Disclosure of the LARF and Eligibility and Entitlements matrix and dates of the surveys; with the *Bagh* Governors and then at *Bagh* meetings.
- If possible (i.e. where COVID-19 restrictions do not affect larger group meetings), hold a public meeting at several sites along the route; this will be advertised in advance via support from the *soum* and *Bagh* leaders; and where appropriate, telephone to notify the date and location of the meeting.
- Notification of the cut off date on a one-to-one basis during the field survey of the PDPs.

Following the surveys and notification of the cut off date, it will be important for the Project to ensure that no permanent structures, such as shelters and sheds are built in the RoW between the cut-off date and the start of construction; this will be managed through periodic monitoring (field visit) of the RoW. Following the cut off date, if practical, signs will also be posted along the route to advise herders that no permanent structures are permitted in the RoW.

6.6. Eligibility Criteria

PR5 identifies that the purpose of defining eligibility is to ensure that all persons, including individuals, households and businesses, that will be displaced and suffer losses as a result of the Project's land clearance and expropriation processes are fully identified and receive appropriate compensation and/or assistance to offset these losses to the extent that their livelihoods and living standards are restored to, at least, pre-displacement level.

The EBRD classifies displaced persons as persons:

- (i) who have formal legal rights to the land (including customary and traditional rights recognised under national laws);
- (ii) who do not have formal legal rights to land at the time of the census, but who have a claim to land that is recognised or recognisable under national laws; or
- (iii) who have no recognisable legal right or claim to the land they occupy.

For this Project, all PDPs irrespective of their status or whether they have formal titles, legal rights or not, will be eligible for some kind of assistance if they occupied the Project area before the cut off date.

Table 6-2 provides a framework for eligibility based on the impacts identified to date; this considers both current potential eligibility in relation to the impacts identified in Chapter 5, as well as potential future impacts and therefore eligibility that could arise. The table will need to be verified by the Client, or their Technical Consultants, and, as necessary, updated on the basis of the final design/location of the Project.

Table 6-2. Project eligibility framework

Displacement Category	Type of displacement / impact of loss	Eligibility conditions
A	Permanent and temporary loss of land or access to land	Land owners or users with title (i.e. <i>aimag</i> , <i>soums</i> , mining concessionaire)
B	Permanent loss (or relocation) of winter camp and associated structures and land	Winter camp (<i>o'voljoo</i>) owner, registered (i.e. Herder-household with Possession Certificate) and non-registered winter camp sites and associated structures (i.e. non-registered herders within <i>soum</i>) including privately owned well.
C	Temporary loss of access to pastureland	Registered (i.e. Herder-household with Possession Certificate) and non-registered land owners or users
D	Permanent loss or relocation of wells	Community owned well – all users (herder households)
E	Temporary loss of access to water sources	Community owned well - all users (herder households)
F	Loss of livelihoods – temporary or permanent	Herder households

With respect to the mining concession, an agreement will be negotiated with each mining concessionaire as applicable; to date, the Client / NPTG has received all land use permits from the relevant *soums* that confirm that the land is all available for the Project (including land that passes through the protected sites and land where mining concessions are located).

6.7. Methods of Compensation

Compensation will be provided either in cash, kind, and/or through assistance (Table 6-3). For the majority of entitlements, the type of compensation will be an individual's, household head's or business owner's choice although every effort will be made to instil the importance and preference of accepting in kind compensation in place of cash compensation where appropriate to meet EBRD PR5.

Table 6-3. Methods of compensation

Method	Description
Cash payments	Compensation will be calculated in Mongolian tugrik. Rates and will be adjusted for inflation.
In-kind compensation	Compensation may include items such as land, houses, fodder, possession certificates and other structures and financial credits for equipment.
Assistance	Assistance may include moving allowance, transportation assistance, labour, training and legal assistance.

6.8. Entitlements Matrix

Defining entitlements serves to ensure that both the Project and those displaced by it know who has rights to what compensation and assistance during Project implementation. This enables the Project to calculate the costs of landtake and compensation, and implement tailored compensation and assistance packages. The overarching goal, however, is to offset all losses of eligible PDPs and to restore their livelihoods and standards of living to at least pre-displacement levels so they are not left worse off as a result of displacement.

The framework matrix of entitlements and eligibility is provided in Table 6-4. Given that no physical (residential) and minimal economic displacement is currently considered likely to occur, however, that further detailed survey is required and the situation on the ground may have changed by the time of the next survey; the framework matrix also covers potential types of eligibility and entitlement that *could* arise from the final design.

Table 6-4. Entitlements and eligibility matrix framework

Type of displacement / loss	Impact source	Eligibility conditions	Compensation Entitlement
Permanent loss of, or loss of access to, land	Loss of land within the Project footprint – pylons and RoW	Land owners or users with title	A private negotiated agreement and, as appropriate, rate where the affected PDP can voluntarily sell their assets ⁴⁷ Or: Provision of a new like-for-like land plot including lost assets Or: Cash compensation at full replacement cost (based on current market value plus transaction costs related to restoring land or the certificate related to the land e.g. mining concession).
Temporary loss of, or loss of access to, land	Temporary loss of land during construction for access roads, construction works, compounds, etc.		A private negotiated agreement and, as appropriate, rate where the affected PDP can voluntarily sell their assets ⁴⁸ Advance notice of works locations and timing. After use, the land will be re-established to the pre-impact productive conditions.
Permanent loss (relocation) of winter camp and associated structures and land	Alteration to, damage of, or full loss of camp and associated land / structures	Land owners or users with title Land owners or users who have a claim to land that is recognised or recognisable under national laws Land owners or users who have no recognisable legal right or claim to the land they occupy	Notice to vacate the land should be given preferably 6 months in advance, but a minimum of 3 months in advance. And: Relocation or Replacement with a new like-for-like land plot including lost assets. Provision of adequate replacement structures/housing of the same or higher value than the property to be lost (including wells). Assistance in registering for a Possession Certificate. Assistance in relocation free of charge or Cash compensation in the form of a moving allowance (e.g. transportation valued at current market prices).

⁴⁷ In order for acquisition of land to be considered “willing buyer/willing seller,” where the affected households voluntarily sell their property and assets, the client must not have the option of compulsory acquisition and the following conditions should apply: (i) land markets or other opportunities for the productive investment of the sales income exist; (ii) the transaction took place with the seller’s informed consent; and (iii) the seller was provided with fair compensation based on prevailing market values. These principles should apply to land consolidators, aggregators, or land developers in order to ensure fair property transactions.

⁴⁸ In order for acquisition of land to be considered “willing buyer/willing seller,” where the affected households voluntarily sell their property and assets, the client must not have the option of compulsory acquisition and the following conditions should apply: (i) land markets or other opportunities for the productive investment of the sales income exist; (ii) the transaction took place with the seller’s informed consent; and (iii) the seller was provided with fair compensation based on prevailing market values. These principles should apply to land consolidators, aggregators, or land developers in order to ensure fair property transactions.

Type of displacement / loss	Impact source	Eligibility conditions	Compensation Entitlement
Temporary loss of access to pastureland	Temporary loss of access to pastureland during construction for access roads, construction works, compounds, etc.	Land owners or users with title Land owners or users who have a claim to land that is recognised or recognisable under national laws Land owners or users who have no recognisable legal right or claim to the land they occupy	Advance notice of works locations and timing. Provision where necessary of assistance to identify replacement pastureland for grazing or provision of fodder during the period of access restriction. After use, the land will be re-established to the pre-impact productive conditions. Where necessary, assistance in moving winter camps (as identified above), if the area of land affected or time that access will be restricted prevents household grazing in the area.
Permanent loss or relocation of wells	Alteration to, damage of, relocation or full loss of structure	Community owned well (herder households)	Reconstruction/replacement of the loss of the resource/asset at a site determined in consultation with owner/user/community at full market cost and restoration of function.
Temporary loss of access to water sources	Loss of access to wells during construction due to construction activities preventing access	Community owned well (herder households)	Advance warning. Provision of access to alternative water sources.
Livelihood loss	PDPs losing more than 20% of their income or land	All eligible PDPs	Livelihood restoration assistance will be determined on a case-by-case basis, and may include provision of fodder during the winter months; skills training; and access to Project jobs.
Vulnerable PDPs	Permanent loss of livelihood / land / asset	All vulnerable PDPs	Vulnerable PDPs will receive additional assistance and help which will be determined on a case-by-case basis.
	Temporary disturbance	All vulnerable PDPs	Vulnerable PDPs will receive additional assistance and help which will be determined on a case-by-case basis.
Unforeseen or potential additional measures			
Permanent loss of a business	Permanent loss of business structures and due to construction or operation activities	Business owner	Assistance in relocation free of charge OR cash compensation in the form of a moving allowance (e.g. transportation valued at current market prices). And either: Provide replacement business property of equal or greater value. Or: Cash compensation at full replacement cost. In all cases, where the Client allows, possibility for PDP to use salvageable materials from the demolished structure.

Type of displacement / loss	Impact source	Eligibility conditions	Compensation Entitlement
		Leaseholder	<p>Assistance in relocation free of charge OR cash compensation in the form of a moving allowance (e.g. transportation valued at current market prices).</p> <p>And either:</p> <p>Replacement premises for lease, if possible.</p> <p>Or:</p> <p>Cash compensation at replacement value for new lease (at least 9 months) and all transaction costs associated with new lease.</p>
Permanent loss of income	Permanent loss of income due to construction or operation activities	Business owner or employee	Cash indemnity for the loss of income during the period of impact transition i.e. until the re-establishment of the business in another location.
Temporary loss of income	Temporary loss of income	Business owner or employee	Cash indemnity of net income for months of business or livelihood stoppage. Assessment to be based on tax declaration form or, in its absence, minimum subsistence allowance for months of business stoppage.
Unforeseen impacts during construction	Impacts during construction to assets	All PDPs	Due compensation to be assessed and paid when the impacts are identified based on the above provisions and the requirements of EBRD PR5.

6.9. Valuation

The following sets out the proposed valuation method principles for the compensation measures identified in the entitlements matrix in Table 6-4 above. **These may not necessarily be required, however, are included in case detailed/optimised design changes result in impacts that have not been identified to date.**

Valuation methods will need to be developed in detail by the Client (or their Technical Consultant) using, where applicable, registered valuation specialists. The following is set out to cover loss of land, winter camps and wells, and then the assistance allowances, vulnerable people and livelihoods restoration.

6.9.1. Land

The land required within the 25 m RoW is State land and has been provided to the Project by the *soums*. Nonetheless, it is recognised that this land may be under Herder Possession Certificate and some land was under mining licence concessions.

For the mining concessions, all land approvals have been obtained from the relevant concessionaires and *aimags*.

For land associated with winter camps, either with or without a Possession Certificate, the approach to valuation is addressed in section 6.9.2.

Where construction activities will result in the temporary loss of access to pastureland (e.g. due to fencing preventing crossing the works or dust fall out, etc.), advance notice of works locations and construction work timings will be given to herder households. Where necessary, assistance to identify temporary replacement pastureland for grazing will be given; or provision of fodder during the period of access restriction will be provided. After construction, the land will be re-established to the pre-impact productive conditions.

For any land required temporarily by the Construction Contractor for ancillary facilities such as workers camps and access roads, the Contractor will be required to select these sites based on negotiated and voluntary transactions wherever possible. However, where this is not possible, two approaches to valuation of land are relevant:

- For winter camp land affected, the approach set out in section 6.9.2 will be provided; and
- For other land affected, cash compensation at full replacement cost will be provided, i.e. the pre-displacement market value of land of equal size and use, with similar or improved access, plus the cost of any registration and transfer taxes. The approach used to determine the replacement value includes establishing the minimum price per square metre afforded to land based on current market value and the cost of other aspects such as transactional costs, through liaison with local administrations and those who had purchased land recently in each area, where relevant.

6.9.2. Fixed Camps

Fixed Camps will be relocated where they fall within the RoW or are sufficiently close to the RoW that construction activities could render it difficult to live in the camp (e.g. noise, dust, restriction of access to pastureland). Any camp within 500 m of the centreline will be considered as potentially affected and liaison will be required with the camp owner/user to determine whether short term of permanent relocation is required.

For any camp that will be displaced, notice to vacate will be given six months in advance of the relocation.

Compensation for displaced camp land will be determined on the basis of the provision of in-kind, like-for-like land. The provision of replacement land should allow the owner or user approximately the same conditions of use as pre-displacement. The same conditions of use are to be understood as meeting the following criteria:

- being acceptable to the affected owner;
- parcel on which the structures are located shall have approximately the same size or larger;
- having a similar or better potential, e.g. access, grazing potential, slope, parcel shape, etc.; and
- being located at reasonable distance to pastureland and wells without increasing density of camps in any one area.

The land will be identified and agreed with the PDP, local government and other herder households in the area. The compensation for the winter camp structures is identified in section 6.9.2 below; moving assistance in section 6.9.5; and additional livelihood impact measures in section 6.9.6.

For camp structures affected, where possible, the existing structure will be relocated through assistance provided free of charge, such as transportation of the structure and rebuilding it to provide full restoration of function; and where this is not possible, a replacement structure at full replacement value will be provided, as agreed with the owner. The replacement structures will comply with the following criteria to the extent possible:

- structures (including wells) shall have similar size and standards or better; and
- camps shall be located at a reasonable distance and be with a similar potential from the livelihood point of view (access to pastureland) to their existing location.

Wherever possible, the Project will replace any existing Possession Certificates that are affected; and also seek to obtain a Possession Certificate, in the name of male and female heads of household, where the herder household that is required to relocate does not already own a Certificate for their winter camp.

Assistance will also be provided in moving the camp (see section 6.9.5); and, as appropriate additional livelihood impact measures (section 6.9.6) and vulnerability measures (section 6.9.7) will be provided).

6.9.3. Herder wells

For any herder wells within the Project footprint or associated with winter camps that do not belong to a single herder household (as above), the well will be reconstructed or replaced free of charge with full restoration of function at a site determined in consultation with the owner/user/community.

Where temporary access to a well may be affected e.g. for a short period of time, the Contractor will be required to ensure that alternative water sources are provided, in liaison with the households affected, for the period of access restriction.

For herder wells that do not require relocation/reconstruction however that are in the general Project Area, the Construction Contractor will be forbidden to use these wells during the construction period.

6.9.4. Temporary damage to structures

The responsible party will reconstruct the loss of the resource/asset in consultation with the owner/user/community and restore its function.

6.9.5. Assistance Allowance

Assistance for PDPs that need to move to a new camp will be provided as either free of charge assistance e.g. provision of transportation, etc, or as cash compensation in the form of a moving allowance that covers identified moving costs based at current market prices.

6.9.6. Livelihood Restoration

Livelihood restoration measures will be considered in addition to the above measures, where a PDP either experiences a loss in income that is greater than 20% of their income and/or where they lose more than 20% of their total land holdings. The main objective of livelihood restoration activities is that no PDP shall be worse off post-project than pre-project. Restoration of pre-project incomes and livelihoods is an important part of rehabilitating individuals, households and socio-economic and cultural systems in affected communities.

It is not currently anticipated that the Project will have an impact on PDP livelihoods as construction activities are only likely to restrict grazing in a very small area at any one time; and will depend on the timing of the works i.e. if most herders are at the summer pastures during construction works, then this will limit the number of PDPs affected; there are no long-term impacts on access to winter pastures as a result of the project; no other business or trades are affected by the Project. It is not considered that the Project will have an effect on the livelihoods of the mining concession holders, as these are only exploratory licences and therefore no income is currently generated from them; and furthermore, the permanent landtake within the licence area is a very small area of the total area of the concession.

Nonetheless, if livelihood impacts are recorded during the detailed surveys, measures will be identified on a case-by-case basis, however may include:

- Legal advice– provided to eligible persons regarding their entitlements.
- Additional support – in provision of fodder, identifying alternative grazing lands, and/or moving assets, if required.

- Provision of employment on the project and training to undertake semi-skilled positions as a short-term mitigation for losses experienced by PDPs.
- Local Procurement of Goods and Services - although there will be limited opportunity, provisions can be made to source services and materials locally. These may have a positive impact for example on local service industries, such as foods and local beverages.

6.9.7. Vulnerable Groups

Assistance to vulnerable people should be determined on a case-by-case basis, and may involve any of the following and/or other measures as determined as applicable in consultation with the vulnerable PDP:

- Allow for more time and patience to engage meaningfully with some people and be prepared to discuss issues on more than one occasion to ensure the issue has been understood; Identification of leaders or respected individuals within a community (i.e. *Soum* social worker or *soum* and/or *Bagh* governor).
- and work with them to assist the PDP;
- Sign statements or contracts with affected people, specifying their entitlements and obligations, even when these contracts do not necessarily have any legal value;
- Assistance during the compensation and resettlement process:
 - During the census;
 - Individual meetings to explain eligibility criteria and entitlements;
 - Specific resettlement packages;
 - Clearly communicate about what the Project can and will do to assist but also where the PDP has responsibilities they have to fulfil on their own;
 - Payment process (making sure that compensation documents are well understood, and that the vulnerable individual will be able to cash in cheques, etc.);
 - Legal advice; and
- Where relevant (i.e. if resettlement is necessary), assistance for moving:
 - Relocation of *gers* and structures;
 - Removal of belongings;
 - Salvaging of material in the old dwelling and transport thereof; and
 - Transportation of the household themselves, with medical assistance if required.
- Where relevant, assistance during the post-resettlement period:
 - Post-resettlement follow up and where relevant, advice in livelihood restoration.

6.10. Compensation Packages

The Client, or their Technical Consultant, will identify compensation packages for each PDP in relation to the Project-specific eligibility and entitlements matrix. A database will be used to collate and record this information.

Compensation **may** include, as identified in Table 6-4, any of the following:

- Relocation of winter camp and associated land/structures and, where feasible, provision of Possession Certificates;
- Relocation of herder wells or temporary provision of alternative water resources;
- Provision of temporary pastureland for grazing;
- In-kind or cash allowances to cover temporary assistance for moving;
- Assistance measures for vulnerable PDPs; and
- Assistance measures for livelihood restoration.

The valuation of each entitlement will need to be determined in accordance with the approach indicated in this LARF; and reported in the RAP/LRP.

These compensation packages should be agreed with each PDP and a record of this agreement made. Consultation will be undertaken to explain the entitlement framework as well as the process of payment of

compensation and assistance and grievance procedures. These negotiations will take place on a one-to-one basis, taking into account vulnerable PDPs.

A Compensation Agreement should be made with all PDPs and be signed by the following:

- Compensation Recipient and spouse;
- Witness representing compensation recipient; and
- Client or their representative.

The Agreement will contain the following particulars:

- Name and passport size photograph of head of the household;
- Name and age of all household members, and any vulnerabilities;
- Type and extent of loss;
- Where relevant, copy of any surveys and photographs of the asset affected; and
- Compensation and entitlements.

A final database of PDP entitlements will be established following consultation and negotiation with PDPs. Where agreement cannot be reached amicably, this will also be recorded. The database will be kept current. Payment of compensation is addressed in Section 6.10.3.

6.10.1. Budget and Timeline

The Client, or their Technical Consultant, will be responsible for RAP/LRP preparation and implementation. They will therefore be responsible for all costs associated with compensation of losses, transaction and registration costs, allocation of new leases and resolution of grievances.

The RAP/LRP will include a chapter on budget, specifying the unit compensation rates for PDPs and allowances, valuation methodology used to calculate the compensation and allowances, and cost breakdown for all expense items, including overheads and contingencies.

The Client will ensure the timely allocation of necessary budgets for RAP/LRP implementation.

An indicative timeline for the RAP/LRP activities is provided in Section 9.

6.10.2. Preparation of RAP/LRP and Disclosure

Following the above activities and agreement on compensation packages and, as relevant, any relocation of *gers*, a RAP/LRP document will be prepared for the Project. A template for this document is provided in Appendix A.

Following preparation of the final RAP/LRP, it will be disclosed in accordance with international best practice. This will include interested parties and the general public. A copy of the RAP/LRP will also be held at the Client offices in Ulaanbaatar. Any confidential information will be excluded from the disclosed document.

6.10.3. Implementation / Disbursements

To ensure the disbursement of compensation packages, it is recommended that a Compensation and Resettlement Coordinator is appointed within the Client, or the role is provided by the Client's Technical Consultant. Disbursement of compensation to the PDP should be undertaken on the basis of the agreed entitlement matrix and compensation packages.

Compensation will be paid when all transactions are agreed; this will be in all cases prior to the actual commencement of the construction works. Where relevant, if relocation of a *camp/ger* or other assets is necessary, a Notice will be provided in advance to the PDP that covers: the date proposed for relocation or need to vacate the structure and information on the channels available to appeal the decision and obtain legal advice. This date should be provided at least 6 months in advance of the need to relocate the affected asset.

Although cash is unlikely to be required in accordance with anticipated impacts and entitlements identified above, if cash is to be disbursed as agreed in final compensation packages, cash payments should be made by cheque or deposited to a local bank in the name of the PDP, in order to minimize fraud and ensure the safety of the compensation recipients. In situations where the PDP does not have the ability to cash a cheque, efforts will be made to ensure that PDP has cheque cashing capabilities (i.e. a bank account). Cash payments may be in instalments for larger sums of money. The limit for instalments will be determined following the review of total cash payments due to eligible PDPs, as payment in instalments could result in payment post the

commencement of land acquisition/clearance activities. This can be overcome by obtaining in writing consent to the payment being effected in instalments rather than as a “one off”; with a clear payment schedule.

All compensation payments should, to the extent possible, be issued in the presence of the PDP and the spouse, where relevant.

Compensation disbursement certificates or records should be provided to the PDP, or a record signed by the PDP to confirm that the measures proposed have been received; and a database of all disbursements and their status maintained by the Compensation and Resettlement Coordinator.

As far as is possible, documentation of ownership or occupancy should be issued in the names of both the PDP and the spouse or, if that is not possible, procedures for inheritance should be identified and signed by the relevant parties.

Records should be maintained of all disbursements made, and progress of the disbursement of compensation packages monitored.

6.11. Grievance Mechanism

The grievance mechanism outlined in Section 7 will be implemented and managed. This mechanism will be disclosed to all PDPs and will be regularly reviewed for its effectiveness. This will be updated in the RAP/LRP.

6.12. Monitoring, Evaluation and Reporting

Monitoring, evaluation and reporting required in the future is outlined in Section 8. This will be updated in the RAP/LRP.

7. Grievance Mechanism

7.1. Introduction

A formal *Grievance Redress Mechanism* (GRM) for land acquisition aspects will be implemented alongside the RAP/LRP activities as identified in Chapter 6, to ensure that the Client, or their Technical Consultants, are responsive to any displacement concerns and complaints. Special attention will be paid to the training of designated staff involved in the management of the RAP/LRP GRM.

Wider Project construction activities will be managed by the Construction phase Grievance Mechanism to be managed by the Construction Contractor; the Construction phase Grievance Mechanism approach is set out in the Project SEP and also incorporates existing community mechanisms in place.

7.2. Grievance Policy

The NPTG has a *Grievance Policy* that commits to handling any grievances from its stakeholders about its operations in a professional and timely fashion.⁴⁹

7.3. Grievance Mechanism

7.3.1. Purpose

The RAP/LRP GRM describes the way the Project and affected persons can work together to find solutions to grievances. It provides for a fair hearing and procedural justice, access to information and access to a fair remedy – without fear of retaliation.

7.3.2. Goals

In addition to serving as a platform to resolve grievances, the GRM has been designed to help achieve the following goals:

- To be respectful of complainant culture, values, traditions and views;
- To be gender-sensitive, safe, confidential, and apt to respond to potential reports of gender-based violence and harassment;⁵⁰
- To provide open channels for effective communication;
- To resolve grievances at the local level and in a timely manner;
- To identify the root causes of grievances and address systemic issues;
- To provide a process that is dialogue-based, with the complainant and the cooperating in the investigation, discussion, resolution and announcement of the grievance and result;
- To ensure fair, equitable and consistent outcomes to resolve grievances;
- To enhance and continuously improve the ability of the Project to fairly address community concerns.

7.3.3. Scope

This RAP/LRP GRM is aimed at providing a platform for affected persons to raise relevant concerns about the Project activities in relation to displacement impacts. The concerns must be raised by the person / people who are directly affected by the particular complaint with the Project's land acquisition activities.

The GRM is consistent with the requirements of EBRDs PR10 and Good International Practice (GIP) and respects Mongolian laws and regulations. The Project proposes to receive grievances at a local level to then be addressed by the Project (i.e. Client or their Technical Consultant), before the grievance is escalated, if applicable, to a judicial or other national process. –Residents' complaints or concerns (related to the community) are currently taken to the *bagh* or *soum* representatives for resolution. This GRM therefore proposes to

⁴⁹ Available at: <http://www.transco.mn/#/contact>.

⁵⁰ The person(s) responsible for receiving and/or responding to reports of gender-violence, sexual harassment, abuse or exploitation, need(s) to be adequately trained, to ensure the survivor or witness reporting an incident is safe and has access to the necessary support services.

maintain this grievance channel as the community members are familiar with it, in addition to the options of lodging grievances directly with Client. The proposed mechanism for the *bagh* or *soum* representatives to then raise the grievance with the Client is set out within the Grievance Procedure in section 7.4.

In a situation an affected person is not satisfied with the *Grievance Mechanism* decision, the Mongolian legal system can be approached for redress.

7.4. Grievance Procedure - Steps

All grievances will be:

- Acknowledged within 5 working days of receipt, by the representative receiving the grievance..
- Where the local *bagh* or *soum* receive the grievance, they will raise this with the Client within 24 hours.
- The Client will respond within no later than 10 working days of the Complaint Date.
- The Client or Construction Contractor (as relevant) will implement the solution within 7 working days of redress solution being agreed; or, where longer is required, within a timeframe agreed together with the aggrieved person.

During the RAP/LRP activities, nominated and trained members of staff will record grievance information in a RAP/LRP grievance database. This will include:

- Stakeholder name and contact details (unless anonymity is requested).
- Details of the grievance and how and when it was submitted, acknowledged, responded to and closed out.

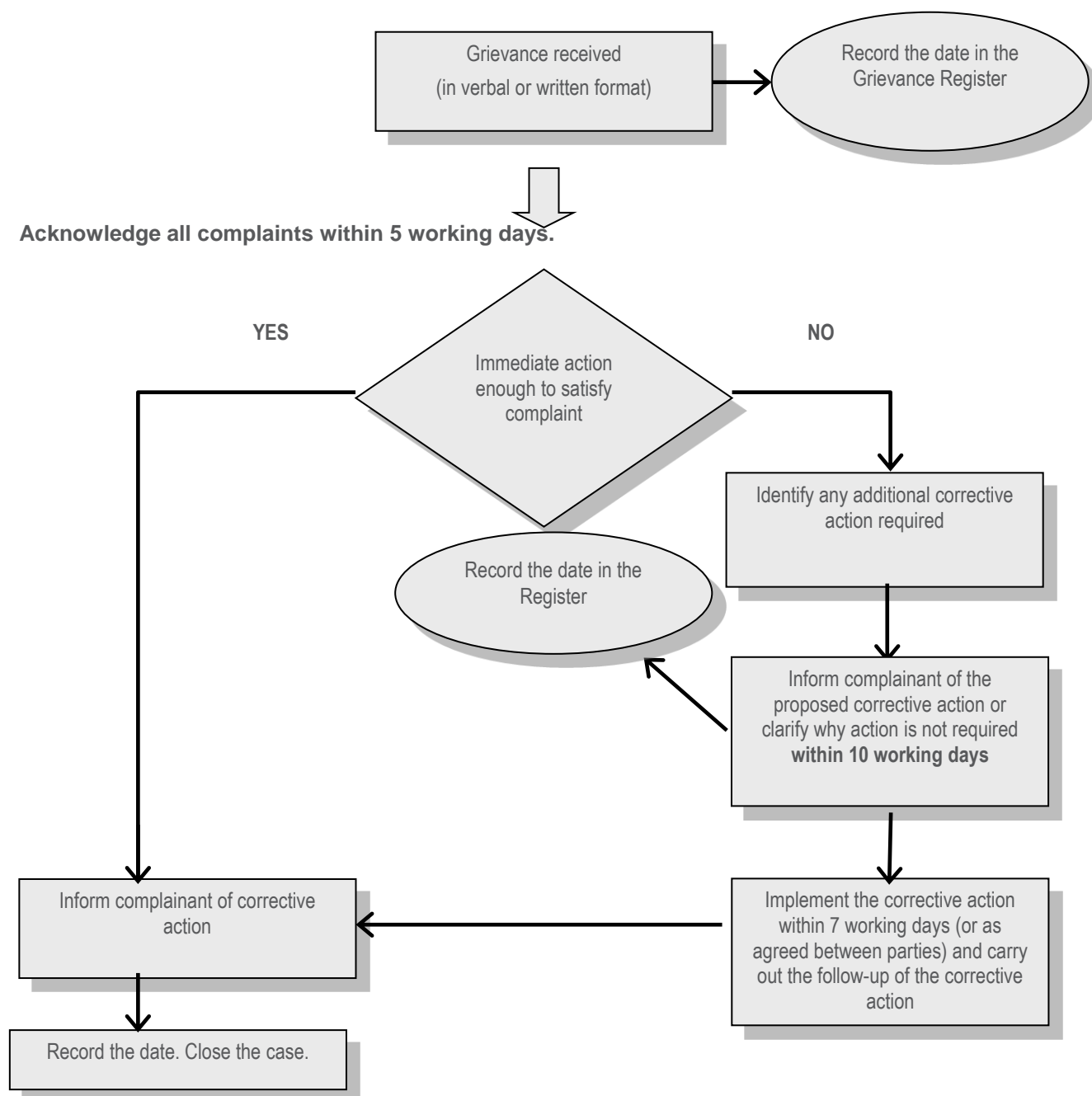


Figure 7-1. Grievance Procedure

7.4.1. Step 1: Register a Grievance

If a concern arises, the aggrieved person(s) can lodge grievances with the Client or the *bagh/soum* level nominated Community Relations person, verbally or in writing (letter, e-mail or on the Project Grievance Form (see Appendix B). Where the complaint is received first at the *bagh/soum* level, the nominated *bagh/soum* person will contact the Client to inform them of the grievance within 24 hours.

Contact details should be provided to the local communities as follows:

Client	Bagh/Soum
Attention:	Attention:
Postal Address:	Postal Address:
Tel:	Tel:
Email:	Email:
Company Website:	Company Website:

All complaints will be recorded at the point of contact on a Grievance Form (Appendix B). The Client will maintain a RAP/LRP grievance database (Appendix C).

In the event that a complaint is raised verbally, the representative person registering the complaint must obtain the approval of the aggrieved person that the information documented is correct (e.g. by way of signature of the Receipt of Grievance Form). However, aggrieved person can request the right to have their name kept confidential and this mechanism does not preclude the right for stakeholders to process grievances through other judicial means.

The grievance form should record the nature of the grievance, the date when it occurred and the name and contact details of the aggrieved person.

If self-identified, the complainant will receive a grievance receipt confirmation letter explaining the next steps to be taken, and a copy of the signed grievance resolution form.

7.4.2. Step 2: Grievance Investigation

Within 5 working days of receiving the Grievance, the Client will provide a written acknowledgement of the grievance including the name of the person to contact about progress, an explanation of the steps that will be taken to investigate, discuss and resolve the grievance, and an anticipated timetable for processing the grievance, as appropriate.

The Client will:

- Identify the parties involved.
- Clarify issues and concerns raised by the grievance through direct dialogue (if possible).
- Classify the grievance in terms of seriousness according to the severity of the allegation, the potential impact on an individual's or a group's welfare and safety, or the public profile of the issue.
- Convene a staff group with expertise relative to the grievance to conduct an internal investigation of the grievance.
- If required, gather views of other stakeholders, and if necessary, an agreed neutral technical opinion.
- Prepare an investigation report that examines the grievance, including its source, evidence, consequences, any financial and other risk implications, and any recommended corrective measures.
- Based on the investigation report, issue a written response to the aggrieved person within 10 days that outlines the corrective measures.
- Conduct any measures, as agreed.

7.4.3. Step 3: Grievance Resolution

There are five grievance resolution levels:

(i) If the grievance is not identified as legitimate or resulting from Project activities, then the aggrieved person will be informed that the grievance is not accepted and will be provided with a copy of the grievance form, along with supporting documentation and evidence, outlining the reasons for grievance closure.

(ii) If the grievance is identified as legitimate and can be resolved quickly, possible solutions will be immediately discussed with the aggrieved person and, if the aggrieved person agrees to the resolution, it will be documented on the grievance resolution form and a date by which to solve it will be agreed.

(iii) If the grievance is identified as legitimate, but the aggrieved person does not agree with the proposed solution or if no solution is readily available, then the Client will undertake further evaluation, including drawing on external expertise where required, as the basis for proposing alternative resolutions. This will be documented on the grievance resolution form and the complainant will be informed of their rights and the steps to arrive at a resolution within an agreed timeframe.

(iv) If the grievance is identified as legitimate, but further evaluation does not result in satisfactory resolution of the grievance, then the grievance will be referred to a mutually agreed upon third-party to mediate, evaluate and propose non-binding resolution of the grievance. Other third parties include external experts, NGOs, legal advisors, and university staff, where this is deemed more appropriate by the project and/or the aggrieved person.

(v) If all Project and third-party attempts to resolve the grievance and avoid legal action have been exhausted, then the aggrieved person will be clearly advised as to their constitutional right to have access to the civil law court to seek legal redress of their grievance and the project will in no way impede the access of the aggrieved person to these legal mechanisms.

7.4.4. Acknowledgement of a Satisfactory Process

At the resolution stage of a grievance negotiation, the Client will ask the aggrieved person to complete a form where the aggrieved person assesses the way the grievance was handled. This form will refer to the goals of the Grievance Mechanism and ask the aggrieved person if their experience of the grievance process is aligned with the goals the Project has set. For example, the following questions will be asked:

- Did the Project and its representatives act in a respectful manner?
- Did the Project do all it could to resolve the grievance locally?
- Did the Project look for the underlying cause of the issue you have raised?
- Did you feel an equal partner in the process of resolving your grievance?
- Is the resolution of your grievance fair and consistent with similar resolutions in the same area?

This feedback will help the Project to adjust and improve the Grievance Procedure.

7.4.5. Processing Timeline

The Project will endeavour to address grievances in accordance with the following timeframes:

- **Registration of grievance** - within 24 hours of grievance receipt;
- **Acknowledgment of grievance** – within 5 working days;
- **Grievance resolution approach** – the approach proposed will be identified and the aggrieved person notified of the proposed approach within 10 working days.
- **Grievance resolution** – implementation of the corrective action and carry out the follow-up of the corrective action within 7 working days, or within timeframe agreed with Aggrieved Person.
- **AP resolution satisfaction assessment** - within 15 days of resolution closure.

7.5. Disclosure of the Grievance Procedure

The *Grievance Procedure* will be made public through:

- Engagement with displaced persons;
- Local information boards (as applicable);
- Through community meetings;
- By informing the *Khurals* and *soum* and *Bagh* leaders; and
- Regular reporting/awareness raising to the Community.

7.6. Managing and Tracking Grievances

The Client will appoint a CLO to oversee the RAP/LRP Grievance Procedure. The *bagh/soum* level Community Relations person will work with the Client CLO. The Client CLO will maintain a LRP/RAP Grievance Register. All transactions including registration of the grievance and the progress to outcome will be recorded.

8. Monitoring, Evaluation and Reporting

Monitoring of the compensation and livelihood restoration process will be carried out by the Client in accordance with EBRD PR1. The key objective of monitoring is to regularly report the progress of RAP/LRP implementation and to identify as early as possible anything that may prevent the RAP/LRP from being effective. Monitoring and evaluation of the data collected will therefore be carried out by the relevant party (see Chapter 9).

Monitoring will consist of:

- Progress monitoring of inputs and outputs which measures whether inputs are delivered on schedule and as defined in the RAP/LRP; and
- Periodic measurement of outcome indicators against baseline conditions, obtained through the socio-economic survey.

Table 8-1 provides an **indicative** list of indicators that can be used for monitoring. A final list of indicators, developed based on the results of the final list of affected PDPs and assets, will be included in the RAP/LRP.

Table 8-1. Indicative monitoring indicators

Indicator	Source of Information	Frequency of Measurement
Input indicators		
Number of consultation meetings, focus group meetings, results of consultation activities	Meeting minutes	Monthly
Number of affected people/households, by type (formal or informal, owners or users, vulnerable groups) and types of impacts (physical displacement, temporary or permanent economic displacement, other)	RAP/LRP database and GRM records	Monthly
Number and type of affected assets (e.g. land, camps, wells)	RAP/LRP database	Monthly
Overall spending on compensation, resettlement and livelihood restoration	RAP/LRP financial records	Biannually
Number of staff dedicated to resettlement and compensation, with distribution in-house / outsourced (if applicable)	Human Resources Department Other departments as necessary	Biannually
Reinstatement of land or Certificates – number of plots complete	Post-compensation report. Certificates, and GRM records	Monthly
Timing of implemented activities in comparison to the implementation schedule	Compare status of implementation to schedule	Monthly
Output indicators		
Number of compensation packages/agreements signed; Number and % of compensation payments completed	RAP/LRP database and financial records	Monthly
Physical Displacement – number of households resettled, assistance provided	RAP/LRP database	Monthly
Vulnerable people - types of measures implemented, implementation progress, number of beneficiaries	RAP/LRP database	Monthly
Livelihood restoration measures – types of measures implemented, implementation progress, number of beneficiaries	RAP/LRP database	Monthly
Outcome indicators		
Number and type of outstanding or unresolved grievances and trends	GRM records	Monthly
Average time for payment of compensation	Measure time between compensation agreement and payment	Quarterly
Compensation paid at full replacement cost	Investigate whether recipients of cash compensation were able to purchase a similar property / structure	Annually

Indicator	Source of Information	Frequency of Measurement
Re-establishment of businesses - have located businesses successfully re-established?	Survey of net income, comparison to baseline	Annually
Re-establishment of incomes/livelihoods	Specific survey of individuals effected against baseline	Annually
Satisfaction with replacement housing/property	Conduct satisfaction survey Assess whether standards of living appear improved or deteriorated to baseline	Annually

Using the monitoring framework described above, reports at a frequency to be agreed with the EBRD will be produced on the progress achieved with the implementation of the RAP/LRP. These reports will consolidate the information on compensation and resettlement/livelihood restoration measures, consultations, information on negotiations and results, provision of assistance to vulnerable groups, grievance management, etc. On completion of all RAP/LRP activities, an Independent Completion Audit Report will be completed. A summary of the Completion Audit will be distributed to relevant stakeholders, including the EBRD and those persons displaced by the project.

9. Organisational Arrangements

9.1. Organisations Involved

The following key organisations and roles are relevant to the preparation of the Project RAP/LRP:

NTPG

NTPG will be the Client for this Project. The NTPG has the overall responsibility for Project implementation, including responsibility for the preparation of the Project RAP/LRP to meet EBRD PR5 and for monitoring the implementation of the RAP/LRP.

Technical Consultant

As necessary, the Client may engage a specialist consultant to support / deliver the RAP/LRP activities on behalf of the Client.

Project Implementation Unit (PIU)

A PIU will be set up within the Client to support them in Project implementation to EBRD requirements. The PIU will assist in the Client in implementation of the Project, including managing, implementing, and delivering the Project in line with all applicable legislative and regulatory requirements.

Construction Contractor

The Construction Contractor will be commissioned by the NTPG to undertake the construction works of the Project. They will be responsible for any negotiated temporary land requirements and for any damages occurring during their works that result in the requirement for compensation. Construction activities will be monitored closely by the NTPG/PIU to ensure compliance with the LARF and EBRD requirements.

EBRD

The EBRD, as funders, will review the RAP/LRP for compliance with the EBRD requirements.

9.2. Summary of Actions

A summary of the actions required, and an outline schedule is provided in Table 9-1.

Table 9-1. RAP/LRP actions and responsibilities

RAP/LRP Actions	Sub-action	Responsibility	Month							
			1	2	3	4	5	6	Construction	Post-construction
Detailed design / design optimisation	Detailed design and route/pylon optimisation to avoid and minimise displacement, including identifying temporary construction sites on the basis of negotiated land agreements and identifying to the Client any sites where this is not possible.	Construction Contractor								
Identify PDPs	Identify PDPs that will be affected by the final Project design, including where relevant, temporary construction sites.	Client (or their Technical Consultant)								
Stakeholder engagement and Cut-off date	Undertake stakeholder engagement with <i>aimags</i> , <i>baghs</i> and PDPs to explain the approach to displacement, the entitlements matrix, disclose the cut-off date and disclose the GRM.	Client (or their Technical Consultant)								
Inventory of assets and their valuation	Undertake asset inventory / survey of assets that may be affected as a result of the Project and Valuation in the field (record methods used).	Client (or their Technical Consultant)								
Census	Undertake census of PDPs.	Client (or their Technical Consultant)								
Description of displaced people and assets	On the basis of the information collected above, identify (descriptive): <ul style="list-style-type: none"> - Type of displacement (physical and/or economic) of PDPs - Magnitude of expected loss of assets, extent off displacement - Standard characteristics of PDPs and their households - Baseline information on livelihoods and incomes of PDPs - Vulnerable groups 	Client (or their Technical Consultant)								
PDP database	Establish a database of PDPs with information on all PDPs and assets affected.	Client (or their Technical Consultant)								
Eligibility and entitlements matrix	Using Table 6-4 in this LARF, develop the eligibility and entitlements matrix relevant to the identified PDPs.	Client (or their Technical Consultant)								

RAP/LRP Actions	Sub-action	Responsibility	Month							
			1	2	3	4	5	6	Construction	Post-construction
Compensation package	Determine the compensation package for each PDP: <ul style="list-style-type: none"> - identifying PDP compensation relative to their eligibility and entitlement. - set out each compensation and assistance measures for each PDP. - ensure special assistance is identified for vulnerable PDPs. 	Client (or their Technical Consultant)								
	Agree measures with PDP and document where no amicable agreement can be reached.	Client (or their Technical Consultant)								
Physical displacement planning	Where Physical displacement (of property and people) is required and will be provided in-kind i.e. provision of a new winter camp, identification of suitable sites.	Client (or their Technical Consultant)								
	Agreement with PDP	As above								
	Where larger scale resettlement is required, assess impacts on host community with a view to identifying mitigation measures necessary in the development of the site.	Client (or their Technical Consultant)								
Provide assistance to Vulnerable people	Identify additional measures required for vulnerable people.	Client (or their Technical Consultant)								
Livelihood restoration	Identify additional livelihood restoration measures required.	Client (or their Technical Consultant)								
Consultation	Undertake follow up consultation activities with PDPs.	Client (or their Technical Consultant)								
Identify budget and implementation schedule	Identify all costs associated with the RAP/LRP implementation.	Client (or their Technical Consultant)								
	Identify timeline and actions for implementation (disbursement of compensation packages).	Client (or their Technical Consultant)								
Prepare RAP/LRP	Prepare RAP/LRP.	Client (or their Technical Consultant)								

RAP/LRP Actions	Sub-action	Responsibility	Month							
			1	2	3	4	5	6	Construction	Post-construction
report and disclosure	Disclose RAP/LRP.	Client (or their Technical Consultant)								
RAP/LRP Implementation	Appoint Compensation and Resettlement Coordinator.	Client (or their Technical Consultant)								
	Make sure monies are earmarked to implement the budget identified.	Client (or their Technical Consultant)								
	Inform PDP that the land acquisition/clearance and compensation payment process has been initiated.	Client (or their Technical Consultant)								
	Once agreed with owner, disburse compensation e.g. relocate asset / remove asset / provide cash compensation.	Client (or their Technical Consultant)								
	Ensure vulnerable people are provided assistance as identified and agreed in their compensation package. Maintain a database of all activities and measures undertaken regarding vulnerable people.	Client (or their Technical Consultant)								
Grievance mechanism	Set up and disclose Grievance Mechanism to PDPs.	Client (or their Technical Consultant)								
	Maintain a RAP/LRP Grievance database to keep track of all RAP/LRP grievances.	Client (or their Technical Consultant)								
	Record all RAP/LRP grievances.	Client (or their Technical Consultant)								
	Address compensation grievances in line with the procedure identified in Section 6 of this LARF.	Client (or their Technical Consultant)								
	Address any unforeseen displacement impacts in accordance with Section 6 of this LARF.	Construction Contractor								
Monitoring, evaluating and reporting	Develop centralised database.	Client (or their Technical Consultant)								
	Documentation of all consultation and RAP/RLP activities.	Client (or their Technical Consultant)								
	Generate periodic indicators in accordance with Section 8 of this LARF.	Client (or their Technical Consultant)								
	Develop and organise evaluation activities and reporting in accordance with Section 8 of this LARF.	Client (or their Technical Consultant)								

RAP/LRP Actions	Sub-action	Responsibility	Month							
			1	2	3	4	5	6	Construction	Post-construction
Post-construction audit	Independent PR5 completion audit at the end of the project on all RAPs/LRP implemented.	Independent Auditor engaged by Client								

Appendices

Appendix A. LAP/LRP Template

OUTLINE STRUCTURE OF LAND ACQUISITION AND RESETTLEMENT PLAN (LARP)

Heading	Sub-heading	Indicative contents
INTRODUCTION	<ul style="list-style-type: none"> Purpose of the plan Scope of the plan 	<ul style="list-style-type: none"> Introduces the plan and its purpose; Highlights the project's potential impacts, and includes maps of the areas or zone of impact of project components or activities; Describes the scope of land acquisition/clearance (provide maps) and explains why it is necessary; and Summarizes the key effects in terms of assets acquired and displaced persons; and Describe how the plan was prepared and approved and by whom.
PROJECT DESCRIPTION		<ul style="list-style-type: none"> General description of the project and description of the project components and activities that will require land acquisition/clearance and cause physical/economic displacement.
PROJECT IMPACTS		<ul style="list-style-type: none"> Expected project impacts/losses associated with the project components/phases covered by the plan Explanation of all activities and alternatives considered to avoid or minimise displacement
LEGAL FRAMEWORK	<ul style="list-style-type: none"> National legal framework EBRD requirements Gap Analysis 	<ul style="list-style-type: none"> Describes national and local laws and regulations that apply to the project and identify gaps between local laws and EBRD's policy requirements; and discuss how any gaps will be addressed.
AFFECTED PEOPLE AND ASSETS	<ul style="list-style-type: none"> Census of Affected Assets and Displaced Persons / Households Socio-Economic Baseline Survey Affected land Affected structures Affected businesses Affected people 	<p>This section outlines the results of the socio-economic survey, census and other surveys relevant to the PDPs, with information and/or data disaggregated by gender vulnerability and other social groupings, including:</p> <ul style="list-style-type: none"> People/households who will be physically displaced and their land ownership status; People/households/businesses who will be economically displaced and their land ownership status; Standard characteristics of displaced people/ households/ businesses and baseline information; Information on vulnerable groups; Social networks and social support systems, and how they will be affected by the project; Description of affected assets, including natural resources, public infrastructure and services.
KEY COMPENSATION AND ASSISTANCE PRINCIPLES		<ul style="list-style-type: none"> Key principles of compensation, resettlement and livelihood restoration that the Project is committed to implementing
ELIGIBILITY	<ul style="list-style-type: none"> Eligibility principles 	<ul style="list-style-type: none"> Description and results of the census Cut-off date for eligibility Eligibility of categories of displaced persons for compensation and other resettlement assistance
ENTITLEMENTS MATRIX		<ul style="list-style-type: none"> Entitlements matrix addressing categories of losses and entitlements pertaining to the project components/phases in question
COMPENSATION, RESETTLEMENT AND ASSISTANCE	<ul style="list-style-type: none"> Methods for Valuation of Affected Assets Resettlement Compensation Packages <ul style="list-style-type: none"> Rates Payment 	<ul style="list-style-type: none"> Defines displaced persons' entitlements and eligibility and describes all resettlement assistance measures (includes an entitlement matrix); Description of the methodology for valuing losses to determine their replacement cost; Description of compensation and assistance measures; Description of process for executing compensation and assistance; Specifies all assistance to vulnerable groups, including women, and other special groups; Description of organised resettlement programme (selection of locations, design of housing, planned infrastructure, improvements for host community), if applicable.

RESETTLEMENT REQUIREMENTS		<p>If physical resettlement is required, this section:</p> <ul style="list-style-type: none"> • Describes options for relocating housing and other structures, including replacement housing, replacement cash compensation, and/or self-selection; • Describes alternative relocation sites considered; community consultations conducted; and justification for selected sites, including details about location, environmental assessment of sites, and development needs; • Provides timetables for site preparation and transfer; • Describes the legal arrangements to regularize tenure and transfer titles to resettled persons; • Outlines measures to assist displaced persons with their transfer and establishment at new sites; • Describes plans to provide civic infrastructure; and • Explains how integration with host population will be carried out.
VULNERABLE PEOPLE	<ul style="list-style-type: none"> • Identification of Vulnerable People Potential Assistance Activities to Vulnerable People 	<ul style="list-style-type: none"> • Addresses specific requirements related to identified vulnerable people.
LIVELIHOOD RESTORATION		<ul style="list-style-type: none"> • Identifies livelihood risks and prepare disaggregated tables based on demographic data and livelihood sources; • Describes income restoration programs, including multiple options for restoring all types of livelihoods (examples include induced benefit sharing, revenues sharing arrangements, joint stock for equity contributions such as land, discuss sustainability and safety nets); • Outline measures to provide social safety net through social insurance and/or project special funds; • Describes special measures to support vulnerable groups; • Describes training programs.
RESPONSIBILITIES AND INSTITUTIONAL ARRANGEMENTS	<ul style="list-style-type: none"> • Roles and responsibilities for delivery of compensation packages 	<ul style="list-style-type: none"> • Describes institutional arrangement responsibilities and mechanisms for carrying out the measures of the plan; • Includes institutional capacity building program, including technical assistance, if required; • Describes role of NGOs, if involved, and organizations of affected persons in resettlement planning and management.
BUDGET AND FINANCING PLAN		<ul style="list-style-type: none"> • Provides an itemized budget for all resettlement activities, including for the resettlement unit, staff training, monitoring and evaluation, and preparation of resettlement plans during loan implementation; • Describes the flow of funds (the annual resettlement budget should show the budget scheduled expenditure for key items; • Includes a justification for all assumptions made in calculating compensation rates and other cost estimates (taking into account both physical and cost contingencies), plus replacement costs; • Includes information about the source of funding for the resettlement plan budget.
IMPLEMENTATION SCHEDULE		<ul style="list-style-type: none"> • This section includes a detailed, time bound, implementation schedule for all key compensation, resettlement and restoration activities. The implementation schedule should cover all aspects of compensation activities synchronized with the project schedule of civil works construction and provide land acquisition/ clearance process and timeline.
CONSULTATION AND DISCLOSURE	<ul style="list-style-type: none"> • Main Results of Consultation Carried out for Preparing the Plan Disclosure 	<ul style="list-style-type: none"> • Description of engagement activities undertaken as part of developing the plan, its finalisation and approval; • Summary of the views expressed and how these were taken into account in preparing the plan; • Description of planned stakeholder engagement during implementation.
GRIEVANCE MANAGEMENT		<ul style="list-style-type: none"> • This section describes mechanism to receive and facilitate the resolution of affected persons' concerns and grievances. It

MECHANISMS		explains how the procedures are accessible to affected persons and gender sensitive.
MONITORING AND REPORTING	<ul style="list-style-type: none"> Objectives of monitoring and evaluation Indicative indicators General reporting principles 	<ul style="list-style-type: none"> This section describes the mechanisms and benchmarks appropriate to the project for monitoring and evaluating the implementation of the resettlement plan. It specifies arrangements for participation of PDPs in the monitoring process.

Appendix B. Project Grievance Form

Reference Number (Protocol Number)	
Name/Surname <i>Note: you can remain anonymous if you prefer or request not to disclose your identity to the third parties without your consent</i>	
Date of complaint:	
Contact information Please check how you want to be contacted	<input type="radio"/> by postal mail <input type="radio"/> by telephone <input type="radio"/> by e-mail
Please indicate the language you want to be contacted in	
Description of incident or grievance: What happened? Where did this happen? who did it happen to? what is the result of the issue?	
Date of incident or grievance:	
	<input type="radio"/> Once <input type="radio"/> More than one time <input type="radio"/> On going
What would you like to see happen to settle the issue?	

Appendix C. Grievance Database Template

Name/Contact details	Method of Complaint (Direct to PIU/PMU, via Contractor, via Akim, or Ayil okmotu):	Reference Number	PIU Staff Responsible (name and role)	Date received	Date of complaint	Details of grievance (issues, actions taken so far, when did it start – all details needed)	Actions (Next steps for PIU/PMU to resolve the issue or to move complaint to next level)	Responsibility for action	Date Resolution Required by	Date resolved	Follow Up Actions Needed and Date

