

Sainshand – Tsagaan Suvarga Transmission Line Project

Land Acquisition and Resettlement Framework

December 2025



Sainshand – Tsagaan Suvarga

Transmission Line Project

Land Acquisition and Resettlement Framework

Author	Katie Prebble
Checker	Tserenkhand Gurbadam
Reviewer	Dr Magnus Macfarlane
Approver	Rachael Bailey
Document Ref.	30210663
Date	December 2025

Revision Control

Revision	Date	Author	Checker	Reviewer	Approver	Changes
01	August 2025	KP	TG	MM	RB	n/a
02	December 2025	KP	TG	MM	RB	Updated following EBRD review

This report dated 15 December 2025 has been prepared for EBRD (the “Client”) in accordance with the terms and conditions of appointment dated 05 February 2024 (the “Appointment”) between the Client and **Arcadis Consulting Limited** (“Arcadis”) for the purposes specified in the Appointment. For avoidance of doubt, no other person(s) may use or rely upon this report or its contents, and Arcadis accepts no responsibility for any such use or reliance thereon by any other third party.

Contents

Abbreviations and Glossary	6
1 Introduction	8
2 Project Description	12
3 Legal and Policy Framework	21
4 Project Land Requirements and Impacts	37
5 Objectives, Principles and Process	50
6 Implementation Activities	54
7 Eligibility and Entitlements	62
8 Resettlement and Livelihood Restoration Measures	69
9 Disclosure of Information and Consultation	73
10 Grievance Mechanism	74
11 Organisational Arrangements	80

Tables

Table 2-1 Overhead transmission line towers	16
Table 3-1 Right of Way for transmission lines in Mongolia	27
Table 3-2 Summary of Gaps between Mongolian Legislation and EBRD Requirements	32
Table 4-1 Excavation amounts based on tower foundation specifications	37
Table 4-2 Summary of Herder Camps identified within 1km of the OHTL Route	40
Table 4-3 Camps within 1km of the OHTL Route	40
Table 4-4 Wells within 1km of the OHTL Route	41
Table 4-5 Mining licences within the RoW	42
Table 4-1 Summary of Project Displacement Impacts	46
Table 5-1 Key Definitions	51
Table 6-1 Methods of compensation	58
Table 6-2 Indicative Monitoring Indicators	60
Table 7-1 Entitlements and Eligibility Matrix Framework	63
Table 11-1 Key Roles and Responsibilities	80

Figures

Figure 1-1 Project Location	8
-----------------------------------	---

Figure 2-1 The Project route and administration boundary	12
Figure 2-2 Tension Towers	17
Figure 2-3 Tower foundation specifications	17
Figure 2-4 Indicative installation drawing for tower foundations	18
Figure 2-5 Sainshand substation location	19
Figure 2-6 Tsagaan Suvarga substation location	20
Figure 4-1 Land uses along the OHTL route and infrastructure crossed by the route	38
Figure 4-2 Location of mining licences and Blast area along the OHTL route	43
Figure 5-1 Compensation, Resettlement and Livelihoods Restoration Process	53

Plates

Plate 2-1 Project Area	15
Plate 4-1 Grazing livestock	39
Plate 4-2 Grazing livestock	39
Plate 4-3 Herder settlements along the Project route	41
Plate 4-4 Wells along the OHTL route	42

Appendices

Appendix A Summary of RAP/LRP Actions
Appendix B Outline Structure of a RAP/LRP
Appendix C Project Grievance Form
Appendix D Grievance Database Template

Abbreviations and Glossary

Abbreviation	Definition
Aimag	<i>Mongolian</i> Eng. Province
AH	Asian Highway
Aol	Area of Influence
Bagh	<i>Mongolian</i> Eng. Village
CLO	Community Liaison Officer
EBRD	European Bank for Reconstruction and Development
ESAP	Environmental and Social Action Plan
ESIA	Environmental and Social Impact Assessment
ESP	Environmental and Social Policy
FGD	Focus Group Discussion
GDP	Gross Domestic Product
GIP	Good International Practice
GoM	Government of Mongolia
HR	Human Resources
Khural	<i>Mongolian</i> Eng. Parliament
KII	Key Informant Interview
km	Kilometre
kph	Kilometres per hour
LARF	Land Acquisition and Resettlement Framework
LRP	Livelihood Restoration Plan
m	Metres
mm	Millimetres
MoE	Ministry of Energy
NSO	National Statistical Office

Abbreviation	Definition
O&M	Operation and Maintenance
PDP	Project Displaced Person
PIU	Project Implementation Unit
PWD	People with disabilities
PR	Performance Requirement
RAP	Resettlement Action Plan
SEP	Stakeholder Engagement Plan
Soum	<i>Mongolian</i> Eng. District

1 Introduction

1.1 Background

- 1.1.1 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 204 kilometre (km) double circuit 220 kilovolt (kV) overhead transmission line (OHTL) in Dornogovi aimag (province). The 204km OHTL and substation connections are herein referred to as 'the Project'. The location of the Project is shown in **Figure 1-1** below.

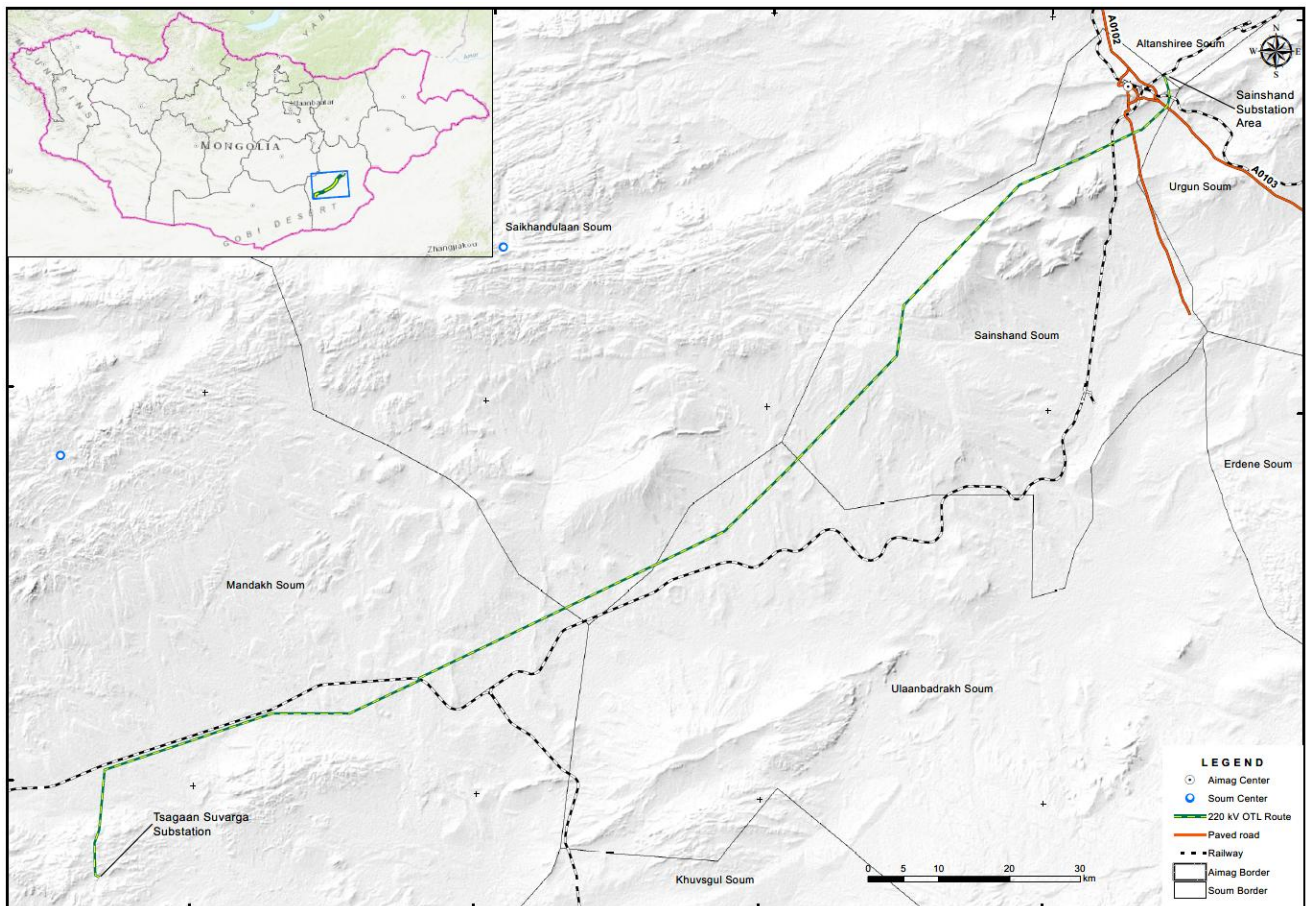


Figure 1-1 Project Location

- 1.1.2 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 undergoing rehabilitation and upgrade. The electricity generation and transmission network in Mongolia consists of the four independent energy systems, with the Project sitting within the Central Energy System (CES). In 2024, the CES transmission and distribution loss accounted for 11.67%. The aim of the Project is to eliminate power grid capacity shortages and ensure reliable power supply for development projects in the Gobi Region.

- 1.1.4 The EBRD has categorised the Project as a Category A, which means that as part of the Environmental and Social Impact Assessment (ESIA) Disclosure Package, a separate Land Acquisition and Resettlement Framework (LARF) is required. This document presents the LARF for the Project, in accordance with EBRD's *Environmental and Social Policy (ESP) 2019* and Performance Requirement (PR) 5 *Land Acquisition, Involuntary Resettlement and Economic Displacement*.

1.2 Purpose and Scope of the LARF

- 1.2.1 This LARF has been prepared with the aim of outlining the general principles, procedures and eligibility and entitlements framework with regard to the potential impacts associated with the land required for the Project.
- 1.2.2 It has been prepared in accordance with the Mongolian legal framework and EBRD's ESP 2019 and PR 5 to ensure that any land for the Project is fairly acquired and to provide a framework for any physical or economic displacement arising from the Project.
- 1.2.3 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, because of Project-related land acquisition and(or) restriction on land use.
- 1.2.4 The LARF serves as a basis for the development of a detailed Plan for the Project, if determined that one is required during pre-construction works. Paragraph 26 of 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 of PR5 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.
- 1.2.5 Temporary and permanent impacts associated with the land required for the Project have been addressed in this LARF. Whilst no involuntary resettlement of residential or business properties is envisaged, should this occur in the future as a direct result of this Project during the period of the loan agreement, this LARF will also apply.

1.3 Project Implementors

- 1.3.1 The Project implementing entity is the Ministry of Energy (MoE). The MoE is responsible for overseeing and managing the overall execution of the Project in accordance with EBRD's standards, financing agreements, and applicable national regulations. The MoE appointed a dedicated Project Implementation Unit (PIU) to serve as the main point of contact for coordination and communication with EBRD and consultants.
- 1.3.2 The National Power Transmission Grid (NPTG) is a state-owned power transmission utility that is responsible for the operation and maintenance of all 22 kV, 35 kV, 110 kV and 220 kV substations and overhead transmission lines in Mongolia. It will be responsible for operation of the Project.

1.5 Responsibilities

- 1.5.1 The process for permanent land or temporary land requirements where involuntary displacement could occur is the ultimate responsibility of the Client, the MoE. They may elect to delegate this responsibility to the Project Implementation Unit (PIU) or a specialist External Consultant.
- 1.5.2 No physical displacement is currently envisaged within the permanent Right of Way (RoW) of the proposed OHTL. However, given the transient nature of herder households and the potential for adjustments to the alignment that may occur due to micro-siting and/or agreements on use of the land with relevant land owners and users, this should be confirmed prior to construction on site. If any physical displacement of persons from their settlements is required, micro-siting should be employed to avoid displacement in the first instance. Likewise, in relation to any micro-siting required (e.g., to avoid a mining licence once discussions have been held with the mining licence holders), the new location should avoid displacement in the first instance. Where this is not feasible, a detailed RAP should be prepared that will provide 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.
- 1.5.3 No significant economic displacement is currently anticipated as a result of the Project. Nonetheless, as above, this should be confirmed prior to construction on site. Should the final Project details result in the potential for economic displacement, then a detailed LRP will be required in line with this LARF and in compliance with EBRD PR5.
- 1.5.4 It is expected that the Construction Contractor will select land required for temporary construction purposes 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, a detailed RAP and/or a LRP will be prepared by the Construction Contractor.

1.6 Structure of the LARF

- 1.6.1 This LARF is set out as follows:
- Section 2 - Project description. Summary of the Project and the Project Area.
 - Section 3 - Legal and Regulatory Framework. Summary of the legal texts and EBRD requirements in relation to land acquisition and involuntary resettlement.
 - Section 4 - Land Requirements and Impacts. Summarises the land requirements for the Project and the permanent and temporary physical and economic displacement impacts that could occur.
 - Section 5 - Objectives, Principles and Process. Provides an overview of the LARF and its requirements.
 - Section 6 - Implementation Activities. Provides the approach required to develop a RAP or LRP, including survey work and development of compensation packages.
 - Section 7 - Eligibility and Entitlements. Sets out the framework eligibility and entitlements matrix.
 - Section 8 - Resettlement and Livelihood Restoration Measures. Sets out the framework to provide resettlement and restoration measures as well as measures for vulnerable people
 - Section 9 - Disclosure of Information and Consultation. Sets out the approach to disclosure of this LARF and future documents and the outline future consultation requirements.

- Section 10 - Grievance Mechanism. Sets out the proposed grievance mechanism for land acquisition and resettlement related grievances.
- Section 11 - 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 Project Context

2.1.1 The proposed OHTL route passes through Dornogovi aimag and the soums of Sainshand, Ulaanbadrakh, Saikhandulaan and Mandakh, in the Central region of Mongolia. The OHTL starts with a connection to a planned substation in Sainshand (to be constructed as part of the EBRD-funded Choir – Sainshand OHTL project) and end with a connection to an existing 220/35/22kV substation operated by the NPTG, located within a licensed mine area at the Tsagaan Suvarga mine (see **Figure 2-1**). Sainshand city is the administrative capital of Dornogovi aimag and is located approximately 415km south-east of the capital, Ulaanbaatar. Tsagaan Suvarga is the location of a mine in the west of Dornogovi aimag (province), approximately 180km south-west of Sainshand city.

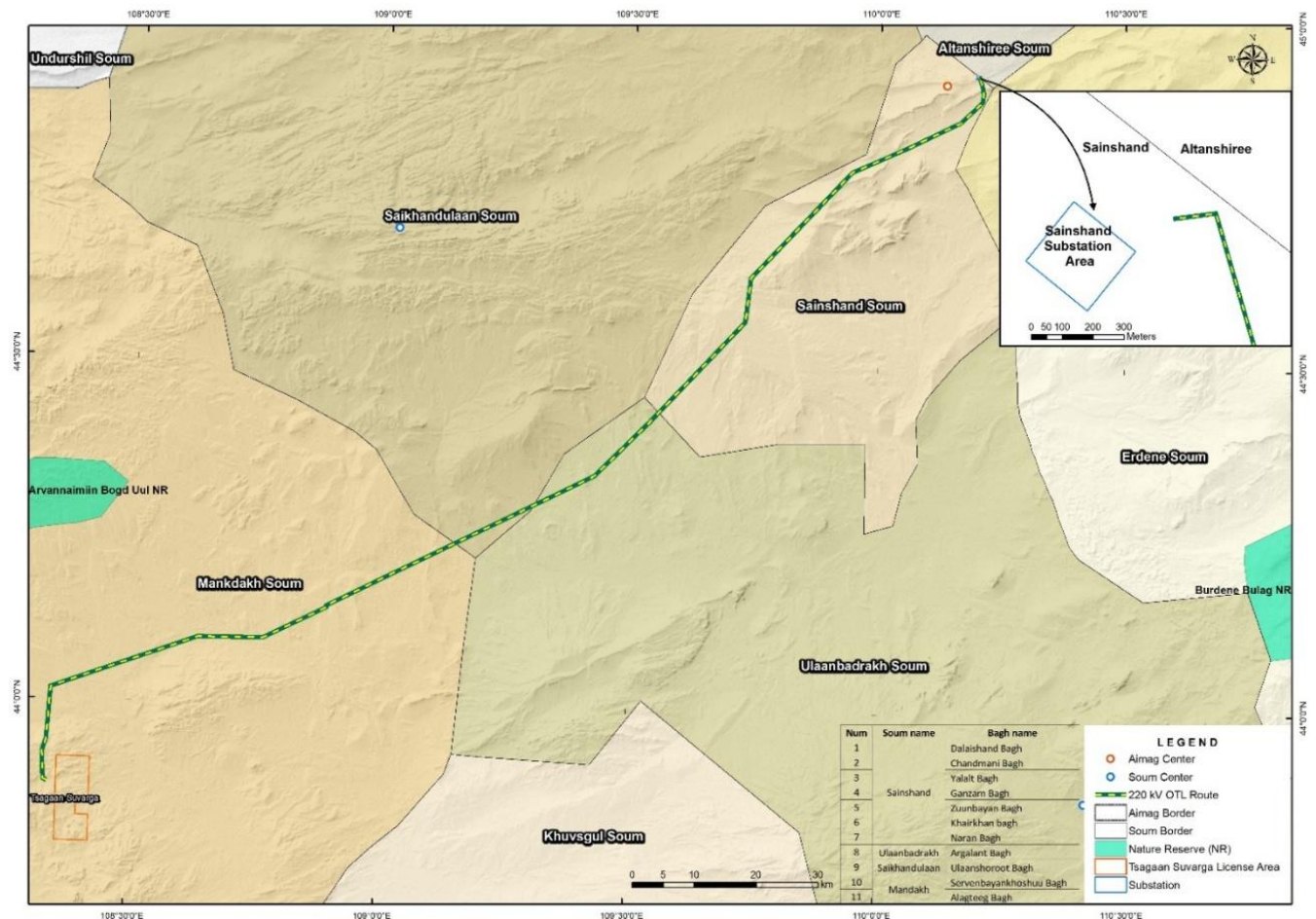


Figure 2-1 The Project route and administration boundary

2.2 Project Area

- 2.2.1 In general, the route proposed for the transmission line is sparsely populated and has desert vegetation characteristics of the Gobi desert. The nearest permanent settlement is Sainshand city (approximately 4.4km at its nearest point), then Zuun-Bayan and Mandakh, approximately 26km and 43km away respectively from the Project. There is also a Student Military Training Centre near Zuun-Bayan (22km from the Project route).
- 2.2.2 In 2024, the population density in Dornogovi aimag was 0.7 people per square kilometre (km²) typical of desert and semi-desert regions in southeastern Mongolia. In contrast, Ulaanbadrakh, Saikhandulaan, and Mandakh soums are sparsely populated rural areas, each with population densities of only 0.1 persons per km², indicating an extremely scattered settlement pattern. These soums also have fewer baghs (4–5 each) and cover vast land areas.
- 2.2.3 The resident population of Dornogovi aimag was 71,969 (2024), of whom 51% were male. The population of Sainshand soum was 28,492 in 2024, of whom 47.8 were male. Saikhandulaan soum population was 1,358 in 2024, of whom 53.9% were male. Ulaanbadrakh soum population was 1,476 in 2024, of whom 51.4% were male. Mandakh soum population was 1,654 in 2024, of whom 58.3 % were male.
- 2.2.4 Ethnic Mongols account for almost 97% of the Mongolian population. They are distinguished by dialects of the Mongolian language. The Khalkhs make up 86% of the ethnic Mongol population. In Dornogovi aimag, 96.5% of the resident population are Khalkhs, followed by Dariganga (1.4%), Durvud (0.5%), Buriads 0.3 %), Kazakhs and Bayad (equally 0.2 %), with the rest being other ethnic groups¹.
- 2.2.5 During the social baseline surveys, vulnerable groups and vulnerability criteria was also discussed with the local authorities. The following categories of vulnerable groups have been identified as relevant to this Project, in line with the EBRD definition and the Mongolian Law on Social Welfare adopted in 2012:
- Elderly-only households
 - People with disabilities
 - Orphans
 - Households with four and more children under 18
 - Single female-headed households
- 2.2.6 Herders as a group are not considered vulnerable in the context of the Project Aol, unless they fall under one of the categories above.
- 2.2.7 Dornogovi aimag is connected to Ulaanbaatar by paved road A0101 and A0102, a part of the Asian highway 3 (AH3). AH3 connects Mongolia's northern border with Russia at Altanbulag and southern border with the People's Republic of China at Zamyn-Uud. The aimag centre and soum centres all have paved roads, though the Project soums are connected to each other by a mixture of paved roads (soums along the AH3) and unpaved (earth) roads (from Sainshand to other aimag towns). There is no direct

¹ Population and Housing Census 2020 in Dornogovi Aimag. Ulaanbaatar 2020.

paved access to the Project.

- 2.2.8 The Trans-Mongolian Railway, forms a major socio-economic connection with Russia and China, connects the Trans-Siberian Railway from Ulan-Ude in Russia to Ereenhot and Beijing in China through the capital Ulaanbaatar. The Mongolian section of this line runs for 1,110km. A 27km industrial purpose railway line also connects Sainshand with Altanshiree soum, Dornogovi aimag, to allow development of the Mongolian oil refinery under construction in Altanshiree soum.
- 2.2.9 For the most part, the proposed route is in rural areas dominated by pasture land with sparse vegetation (**Plate 2-1**). From Sainshand substation the proposed transmission route runs in a clockwise arc from south to west crossing the Trans-Mongolian Railway, Asian Highway Network (AH) 3 and Sainshand-Zuunbayan roads and the railway line running south to Zuun-Bayan. This railway line, which continues west to Tavan Tolgoi mine, is crossed once more by the proposed route approximately two-thirds of the distance to Tsagaan Suvarga (further details are provided in **section 4**). The proposed route then runs in a predominantly south-western direction for the vast majority of its length, turning southwards approximately 15km north of Tsagaan Suvarga.



Gently undulating grassland and existing 35kV OHTL



Grassland and existing 35kV OHTL



View from planned substation location (part of Choir-Sainshand project) towards Sainshand



Dry Riverbed



Livestock grazing



Herder camps near the route



Herder well



Tsagaan Suvarga substation

Plate 2-1 Project Area

2.3 The Project

Transmission Line

- 2.3.1 The transmission line comprises a 204km 220 kV double circuit overhead line. This circuit will have no tee off connections at any point, which will help to improve transmission between the two substations. The conductor wire will be AS-400/51, the groundwire jd70-2000. A 48-core optical cable and lighting protection cable will also be provided (specification OKT-Ц-a-48). The towers and lines for the transmission lines will be made from steel and aluminium; with materials sourced from international companies.

- 2.3.3 As the OHTL route will require changes in direction and elevation, different tower types are required depending on whether the power line maintains a constant direction or a change in angle or elevation. The Project will require 690 towers, as summarised in **Table 2-1** and **Figure 2-2**. The towers range in height between 36m to 41.5m. The foundation specifications for the different towers are shown in **Figure 2-3**. There is a variation in distance between individual towers that accounts for differences in surface elevation along the route and the characteristics of the terrain (rocks, dry stream beds, hills, and valleys), ranging from 139m to 323m for the anchor span and 139m to 7,449m for the transition span.

Table 2-1 Overhead transmission line towers

Type (see Figure 2-2)	Foundation System (see Figure 2-3)	Quantity	Height
PS220-2/ΠC220-2	4xΦ3-2, 4xAP-6	612	36m
PS220-2/ΠC220-6	4xΦ3-2, 4xAP-6	31	41.5 m
U220-2/Y220-2	4xΦ5-AM, 16xAP-6	31	31.6 m
U220-2+5/Y220-2+5	4xΦ5-AM, 16xAP-6	7	36.2 m
U220-2+9/Y220-2+9	4xΦ5-AM, 16xAP-6	8	40.6 m
U220-2+9/Y220-2+9	4xΦ3-2, 4xAP-6	1	40.6 m

- 2.3.1 The construction of the foundations will be undertaken in accordance with national regulations on construction (BND20-03-11 and 20- 02-11) to protect steel and reinforced concrete structures from collapse. As identified above, two types of two types of foundation system will be used: '4xΦ5-AM' and '4xΦ3-2'. The AP-6 element is a horizontal reinforced concrete component, which is integrated into the foundation to provide additional structural support. The tower foundations or these are shown in **Figure 2-4**. Concrete foundation footings for towers and portals and concrete cable trays will be purchased from domestic producers and be transported to the project site. On average, four to six tower foundation footings can be loaded and transported by a truck trailer.

Хэлхээний тоо	Хоёр хэлхээт	Хоёр хэлхээт	Хоёр хэлхээт	Хоёр хэлхээт	Хоёр хэлхээт
Тулгуурын төрөл	Завсрын тулгуур	Завсрын тулгуур	Эргэлтийн ба таталтын анкер тулгуур	Эргэлтийн ба таталтын анкер тулгуур	Эргэлтийн ба таталтын анкер тулгуур
Мөсжилтийн район	III-IV	I-IV	I-IV	I-IV	I-IV
Дамжуулагчийн хэлбэр	АС-300/39, АС-400/51	АС-300/39, АС-400/51	АС-300/39, АС-400/51	АС-300/39, АС-400/51	АС-300/39, АС-400/51
Трассын хэлбэр	ОКГТ-Ц-А-48 G.652D-14,0	ОКГТ-Ц-А-48 G.652D-14,0	ОКГТ-Ц-А-48 G.652D-14,0	ОКГТ-Ц-А-48 G.652D-14,0	ОКГТ-Ц-А-48 G.652D-14,0
Төрөл					
Тулгуурын маяг	ПС 220-2	ПС 220-6	У220-2	У220-2+5	У220-2+9
Тулгуурын жин, кг	Цинжгүй	5503	8467	14398	17603
	Цинжтэй	5517	8798	14981	18290
				17603	19486
				18290	20245

Figure 2-2 Tension Towers

Foundation Specification Sheet

Foundation type	Ф3	Ф5	AP-6
Model			
Type	Ф3-2	Ф5-АН	AP-6
Pylon	(P) П220-2	(У) У220-2, У220-2+5, У220-2+9	П220-2, ПС 220-6, У220-2, У220-2+5, У220-2+9
Page number	(MP) МП-020-21-И-3-11-1	(MP) МП-020-21-И-3-9	(MP) МП-020-21-И-3-13
Height, m	2.7	3.1	3.5
Area of foundation, m	1.8x1.8	2.7x2.7	0.5x0.2
Area of foundation, m	1.8x1.8	2.7x2.7	2.7x2.7
Installation depth, m	2.5	3	-
Volume of steel-reinforced concrete, m3	1.11	2.5	0.275
Weight of steel, kg	133	587	760

Figure 2-3 Tower foundation specifications

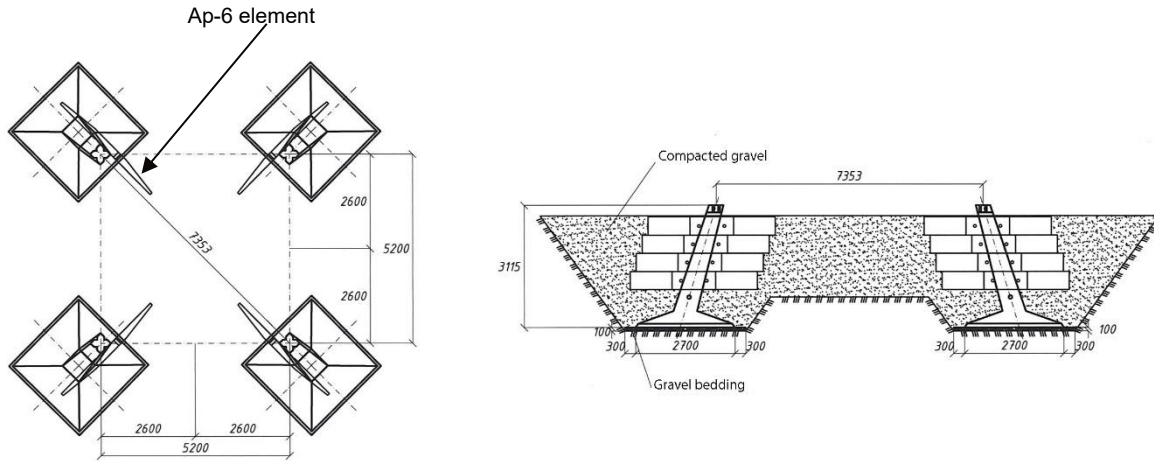
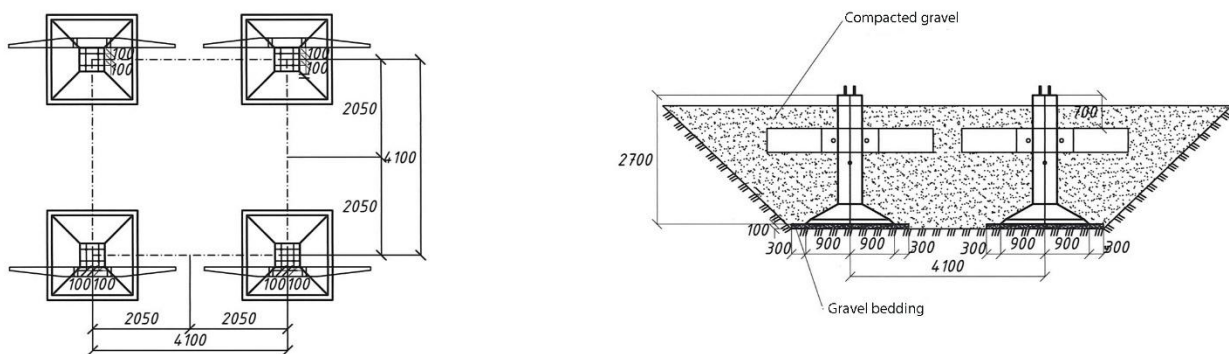
Installation drawing of the $\Phi 5$ type foundationInstallation drawing of the $\Phi 3-2$ type foundation

Figure 2-4 Indicative installation drawing for tower foundations

Substations

- 2.3.2 The location of the planned substation that will be constructed as part of the Choir-Sainshand OHTL Project is shown in **Figure 2-5**. This substation is due to be constructed before the Project (i.e. Sainshand-Tsagaan Suurga) commences construction.

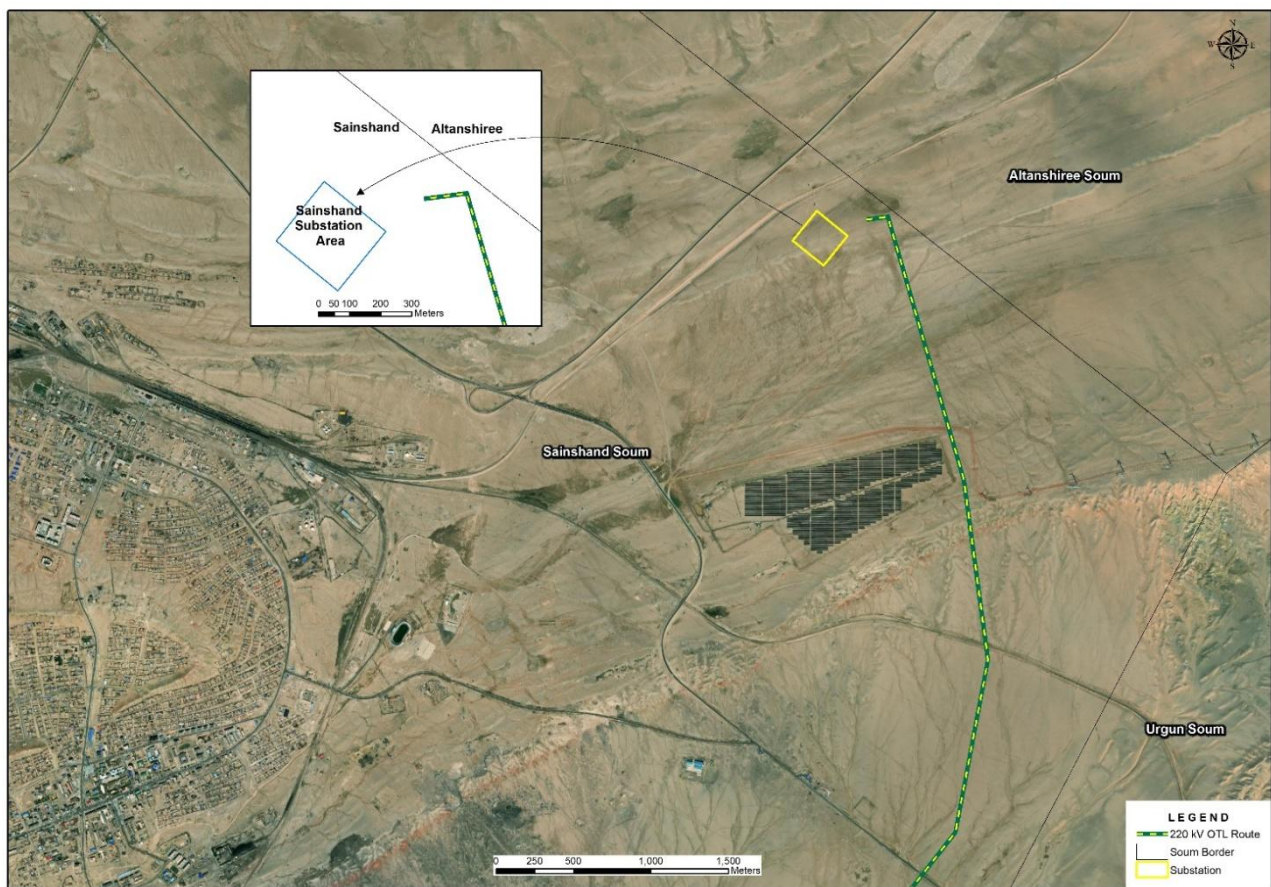


Figure 2-5 Sainshand substation location

- 2.3.3 The Project will connect to the existing Tsagaan Suvarga substation, which is located within the Tsagaan Suvarga mining license area and adjacent the mine itself owned and operated by Mongolian Alt Corporation (MAK) (**Figure 2-6**). The substation is currently owned and operated by the NPTG. However, it is located on land owned by MAK. The Government of Mongolia is currently in negotiation with MAK to become a shareholder of the mine. As part of this negotiation, the land within the substation would be transferred to state ownership (i.e. NPTG) under a concession agreement. It is anticipated that this concession agreement will be in place by the end of 2025.
- 2.3.4 There are five existing grid connections to/from Tsagaan Suvarga substation; the 22 kV OHTL from this substation provides power to consumers in Khatanbulag soum in Dornogovi aimag. An area within the substation has been identified for the Project connection.

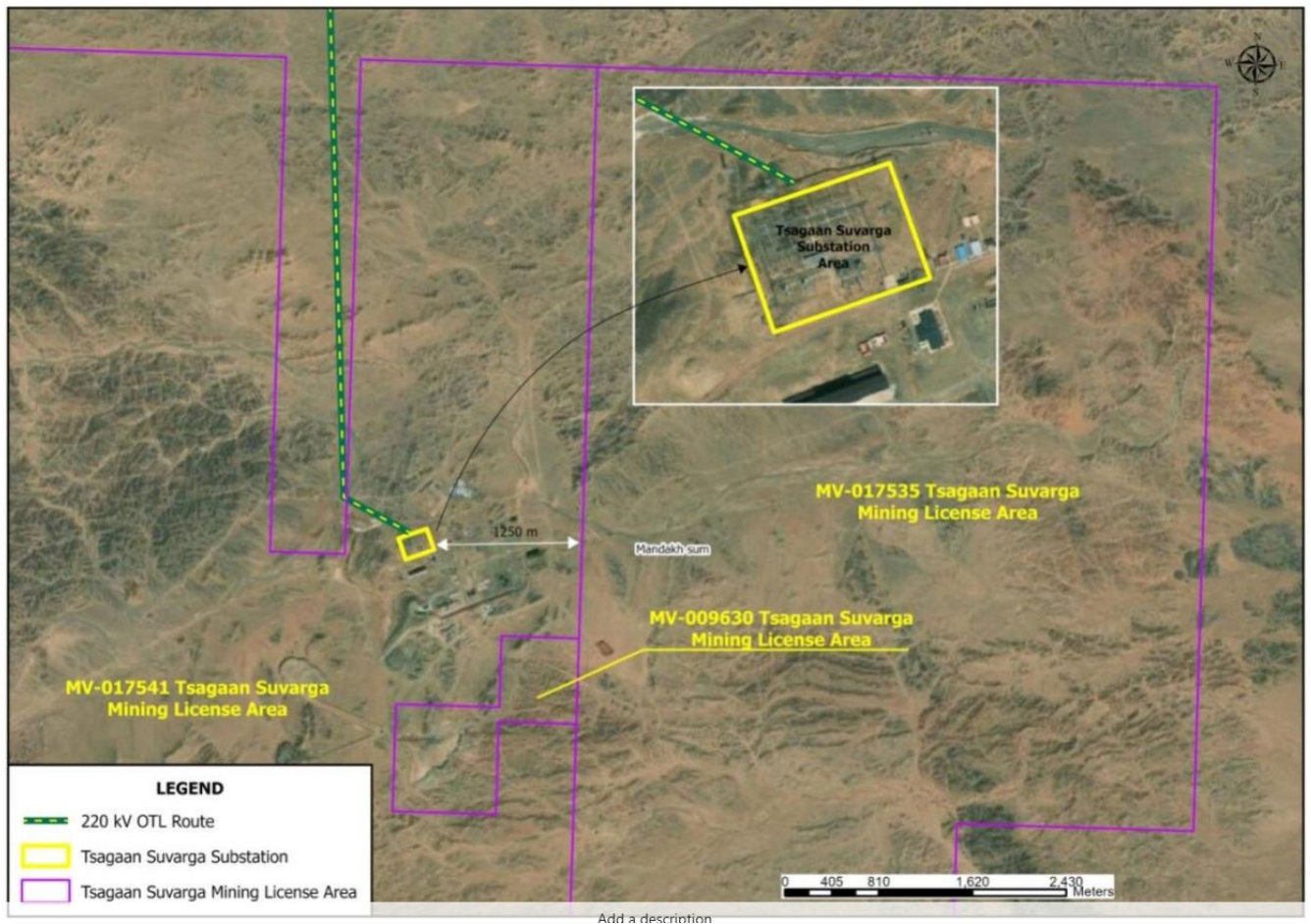


Figure 2-6 Tsagaan Suvarga substation location

3 Legal and Policy Framework

3.1 National Requirements

- 3.1.1 Mongolia does not have a dedicated and comprehensive Land Acquisition Law. The key Mongolian laws regulating access to ownership or possession of land and thereby land acquisition and attachments are: (i) the Mongolia Constitution (1992, revised versions in 1999 and 2003), (ii) The Civil Code of Mongolia (2002), (iii) The Law on Land (2002, amendments in 2003, 2004, 2005, 2006, 2009, 2010, 2012, 2013, 2014, 2015, 2017, 2018, 2019, 2021, 2022, 2023, 2024), (iv) The Law on Allocation of Land to Mongolian Citizens of Ownership (2002, amendments 2005, 2008, 2011, 2012, 2015, 2017, 2018, 2022 and 2024), and, in the case of this Project, (v) the Law on Auto Roads (revised version, 2017, amendments made in 2021, 2022, 2023). Also germane to this Project is customary land use rights with respect to herders' use of and rights to pastureland and other such legislation as set out below.
- 3.1.2 Mongolian law recognises private ownership under either a freehold (ownership) or leasehold (possession) regime. In practice, these tenure regimes are restricted to residential land. Pastureland remains as State land. Private usage rights over pastureland could in theory be recognized as customary law, however this is rarely the case in practice. While all private land rights are expected to be registered, few are outside main urban areas. Non-titled occupants using land are typically considered illegal.
- 3.1.3 Expropriation for public needs exists in Mongolian law and can only be triggered by the State or public bodies. Where it is used, in general, some level of negotiation usually takes place. In the event of expropriation, public bodies generally follow Cabinet Resolution 103 of 13 April 2003, which determines land valuation tariffs. Compensation for structures follows detailed assessment and application of unit rates based on market prices of construction and services, minus depreciation, as assessed by the local Property Relations Agency.
- 3.1.4 It is understood that for this Project, the MoE will inform the aimag and/or soum governors about land in their local area that may be required for new road construction or upgrade projects, and the local governors are then required to include these details in their annual land use plan. The aimag and/or soum annual land use plan then gets approved by the local aimag or sum Citizens' Representative Meeting. The land within the Project footprint is currently predominantly State owned.
- 3.1.5 When the alignment of a proposed new road, or road upgrade, passes through land that is already owned by an individual or a private entity, the government has the right to include their land as a "special purpose area", and request that the landowners transfer their land use right to the government. Mongolian Law on Land states which purposes can be defined as a "special purpose", and this classification includes a state highway such as the proposed road.

Mongolian Constitution, 1992, revised versions in 1999 and 2003

- 3.1.6 Under the Mongolian Constitution 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.

3.1.7 The following provisions are related to the protection of human and property rights, and the acquisition of land for public needs:

- The State recognizes all forms of both public and private property and shall protect the rights of the owners, Article 5.2;
- The owner's right shall be limited exclusively by due process of law, Article 5.3;
- The State shall have the right to hold land owners responsible in connection with the manner the land is used, to exchange or take it over with compensation on the grounds of special public need, or confiscate the land if it is used in a manner adverse to the health of the population, the interests of environmental protection and national security, Article 6.4;
- The citizens of Mongolia shall be guaranteed the privilege to enjoy the following rights and freedoms:
 - Right to healthy and safe (living) environment, and to be protected against environmental pollution (from pollution of living conditions/environment) and ecological imbalance, Article 16.2
 - Right to fair acquisition, possession and inheritance of moveable and immovable property. Illegal confiscation and requisitioning of the private property of citizens shall be prohibited. If the State and its bodies appropriate private property on the basis of exclusive public need, they shall do so with due compensation and payment, Article 16.3.

Civil Code of Mongolia, 2002

3.1.8 In the absence of legal provisions regulating land acquisition in the context of local scale public infrastructure facilities, the Civil Code provides a legal framework which places land acquisition in the context of negotiated settlement. This implies that the State and affected persons engage with each other contractually as equal and autonomous legal persons and participants in a civil legal relationship (Article 1). Citizens and organizations, as well as aimags, the capital city, soums and districts can enter into civil legal relations regarding objects of material and non-material wealth and their acquisition and possession (Articles 6, 7 and 8).

3.1.9 Chapter 10 of the Civil Code defines property and assets, including land and other immovable property. Chapter 11 specifies possession of properties and Chapter 12 specifies property types, ownership by individuals and other legal persons, rights of owners etc. This chapter defines the land ownership tenure and refers to the subsequently enacted Law on Land, Law on Allocation of Land to Mongolian Citizens for Ownership regarding relations concerning land ownership, possession and use. Chapter 15 is dedicated to the contractual legislation.

Law on Land, 2002 and its amendments

3.1.10 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 certificate²) 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.

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

3.1.12 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. 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.

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

3.1.14 Land relations, geodesy, and cartography fall under the jurisdiction of the Prime Minister of Mongolia. The Ministry of Construction, and Urban Development and Housing has the power to implement

² 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).

legislation and policy on land and to determine land use classifications subject to government approval. Citizens' Representatives Khurals (CRKhs) and Governors of *aimags*, the Capital City, *soums* and *aimags* have powers to:

- Enforce land legislation and ratify general land management plans;
- Take land for the special needs of *aimags*, the capital city and *soums* on submission of such proposals by corresponding level governors;
- Determine the boundaries, size, and location of pastures to be used by primary associations of herder households under contract, based on the decision of the Public Khural of the Bagh citizens, in accordance with the general land organization plan of the aimag and the annual plan of the soum; and
- make decisions on granting compensation in respect of land taken for special needs.

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

- To enforce the law on land;
- 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.

3.1.16 *Soum* and *Aimag* 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).

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

3.1.18 The Law on Land regulates that land under possession can be exchanged or taken over, i.e. acquired, for the state special needs. Article 16 lists 12 types of land use as the land that belongs to the state special needs as follows:

- land under special protection of the state;
- national border strip land;
- land for ensuring national defence and security;
- land for foreign diplomatic missions and consulates, and representative offices of international organizations;

- land for scientific and technological tests, experiments, and for environmental and climatic permanent observations;
- inter-aimag reserve pastureland;
- hay field land for state fodder fund;
- contracted oil field to be used for exploration according to product sharing agreement;
- free zone area;
- land for construction and use of nuclear facilities;
- land for artisanal mining; and
- land for border point zone.

- 3.1.19 The procedures for acquisition of and compensation for land under possession are specified in the “Article 42 Exchange or taking over land under possession before the expiration of the contractual period” and “Article 43 Provision of compensation when exchanging or taking over land under possession before the expiration of the contractual period”.
- 3.1.20 The law sets that central state administrative organization in charge of land affairs shall make a preliminary agreement with the land possessor to exchange or take over its land wholly or partially with compensation for state special needs. After that a proposal shall be sent to the Cabinet for decision to acquire the land. Once the Cabinet decides to acquire the land, based on this decision, the respective local Governor shall conclude a contract for land acquisition with the land possessor, provide the compensation and acquire the land. The affected land possessor shall vacate the land within 90 days after concluding the contract and hand over to the disposal of the respective Governor. The acquisition of land, which is used for residential purposes, can be implemented only between 15 May to 15 September. This is due to the inconveniences associated with relocation/moving in cold period of the year.
- 3.1.21 The law states that in the decision for land acquisition, the value of the buildings, facilities and other properties that cannot be separated from the land, be appraised based on the rates at the time of acquisition, and costs for acquiring the land, i.e. vacating the land, shall be reflected. The compensation shall be provided to the affected persons from state budget through the respective Governor. The Governor shall provide the compensation within 60 days after concluding an agreement, if not specified differently in the agreement. The affected land possessor shall vacate the land within 30 days after receipt of the full compensation, if not specified differently in the agreement.
- 3.1.22 The law does not say that the land itself should be appraised and compensated. Moreover, the provisions of the law do not specify what entitlements the compensation consist of, who shall carry out the appraisal, what are the principles in the compensation appraisal, what can be understood under the rate at the time of acquisition (is this market value or another value/rate) and if there will be any rehabilitation measures. It is not clear how and what land can be provided in exchange to replace the land being taken back. These issues are not specified in the law.
- 3.1.23 There is no provision in the law that allows land expropriation, if necessary, for public needs such as public sewer main collector pipes and it regulates that land acquisition should take place based on negotiation and agreement. However, the law specifies, article 59, that land can be vacated and forced relocation enforced, with the help of police, if the land possession right has ended as per the provisions

of the law or contract and based on the decision of respective Governor. Also, it specifies clearly that disputes to arise in connection with the exchange or taking over land shall be brought to the Governor or organization that is superior to the ones against whom the claims are being made. Further, it is specified that the land related property disputes or if the decision of the higher-level authorities are still not agreeable, the case can be brought to the court for judgment.

- 3.1.24 The Law on Land does not recognize any land use without proper permission, i.e. land ownership, possession and use rights, from relevant state bodies. The persons using land without permission are obliged to vacate the land upon the request by the local Governor. If the entity has not vacated the land within the time specified by the Governor, forcible measures shall be taken to clear the land and associated costs are to be met by the entity using the land without permission.
- 3.1.25 There is no land acquisition related provision in the law concerning affected persons holding land use rights, except to say that compensation is not applicable to them.

Law on Allocation of Land to Mongolian Citizens for Ownership, 2002

- 3.1.26 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.

Energy Law, 2001 (multiple amendments)

- 3.1.27 The Energy Law is the primary legislation governing energy generation, transmission, distribution, consumption and dispatching activities in Mongolia. It establishes the legal framework for transitioning the energy sector from a centrally planned system to a market-based one. The law introduced the Energy Regulatory Authority, an independent energy regulator, delegating powers and responsibilities to key institutions managing and operating the energy sector. Since the establishment of the Energy Regulatory Authority (known as the Energy Regulatory Commission since 2012), energy regulation has been in place for over two decades. The Energy Law aims to foster competition and enhance private sector participation and investment. It details the roles of the Government and State in energy provision and outlines the powers granted to aimags and soums.
- 3.1.28 The Energy Law fixes the power of the Energy Regulatory Commission to grant, extend, and repeal licenses for activities including, but not limited to, electricity and/or heat generation; electricity transmission networks, defined as a network of high voltage power lines and substations of 110kV or higher that form the main network for electricity transmission along with other power lines and substations that must be part of the network for technical and technological reasons; and electricity distribution networks, defined as power lines and substations of 110kV or less for distributing electricity from transmission network substations to consumer equipment. This law also sets out the rules for developing and implementing tariffs and pricing structures for power facilities.

- 3.1.29 The Mongolia Law on Energy 2001, as amended, states that Governors should take measures to evacuate buildings and facilities constructed within the protection strip of linear energy infrastructure, including measures to remove households, trees, shrubs and they should also take measures to protect the safety zone [referred to as the RoW within this document]. Article 33 of the Law covers the boundaries of network safety zones and states that lines and networks should have established boundaries of their safety zones, within which is prohibited to build any *gers*, housing or building or conduct any activities other than those permitted by the network owners or possessors within such boundaries; it does not state the type of activities that are or are not permitted.
- 3.1.30 Article 33 also requires that Governors of aimags and soums verify sizes of boundary lines in accordance with safety rules for lines and networks. It goes on to state that owners or possessors of trees or shrubs planted or growing within the safety zone are obliged to move or cut them, if the trees and shrubs could cause damage to the network or obstruct its inspection or servicing; and that a state energy inspector or an authorized employee of supplier has the right to enter or to pass through land and premises owned or used by others which are located alongside the safety boundary. In case of failure of an owner to meet its obligations set forth in paragraph 33.3 of this Law, a state energy inspector or an authorized employee of supplier shall take steps to cut or move trees or shrubs, or where not possible to do so, to have the trees or shrubs cut.
- 3.1.31 The Mongolian Government Resolution No. 97 of 18 March 2020 stipulates the establishment of protection zones for transmission lines, in line with Article 33 of the Law on Energy. It states that the Governor of the aimag, soum, or district will establish this protective zone based on a request submitted by the entity or organization possessing the power grid and the power grid zone map. It also states that a decision (permission) should be obtained from the Governor of the aimag, soum, and district on the location of the power grid protection strip and determination of the protection strip. However, the Resolution also sets out specific safety zones as provided in **Table 3-1**. The requirements for 220 kV lines are highlighted in yellow.

Table 3-1 Right of Way for transmission lines in Mongolia

Powerline, kV	Unpopulated areas	Populated areas	Substation and distribution infrastructure	Forested areas and Parks
	From the outside of the tower, m		Every direction, m	From the outside of the tower, m
220kV	25m	6m	25m	4m

- 3.1.32 The Resolution also stipulates that it is prohibited to construct buildings, apartments, homes, fences, or conduct any activities within the protection strip except those permitted by the network owner. Activities that disrupt the operation and regime of the energy line network and equipment in the protective zone are prohibited.
- 3.1.33 No trees and any agricultural plantation are allowed within 25m surrounding substations or any power distribution infrastructure. Owners of trees or shrubs planted or growing within the protective zone shall 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.

- 3.1.34 It is noted that the Resolution does not mention what activities are permitted within the protective zone; but the implication is that permission would be required from the operator and/or the local Governors.
- 3.1.35 The Resolution states that if it is necessary to construct an energy network on land owned or used by others, all costs incurred will be borne by the business entity or organization constructing the network.
- 3.1.36 Article 5.1 states that the implementation of the Regulation will be by the Governors of aimags, soums, and districts, energy regulators and state inspectors, and business entities and organizations that own energy networks.
- 3.1.37 It is also noted that the Resolution requires that, after carrying out earthworks within the protective zone, the area of the protective zone will be restored to its normal condition.

Law on Land Fee, in force on 1 July 1997 and amended on 2 May 2019

- 3.1.38 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.

Customary Land Use

- 3.1.39 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”.³ 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:
- the use of land for generations;
 - the ownership or construction of animal shelters;
 - the possession of a well close to grazing land;
 - the possession of croplands close to grazing land; and
 - inheritance through formal legal arrangements.
- 3.1.40 Under the socialist era, 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. 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

³ Black’s Law Dictionary, 2007.

herders currently can maintain their nomadic lifestyle with few movement restrictions. The 2019 Law on Pastureland Management and Conservation (see section 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.

Mining Laws

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

- The Constitution of Mongolia, 1992 (revised version 2023)
- Law of Mongolia on Land, 2002 (revised version)
- Minerals Law (revised version 2022; multiple amendments in 2022, 2023, 2024, 2025)
- Law of Mongolia on Subsoil, 1988, multiple amendments
- Law of Mongolia on Prohibiting Mineral Exploration and Mining Operations at Headwaters of Rivers, Protected Zones of Water Reservoirs and Forested Areas, 2009
- Law on Regulation for Compliance with the Law of Mongolia on Prohibiting Mineral Exploration and Mining Operations at Headwaters of Rivers, Protected Zones of Water Reservoirs and Forested Areas, 2009
- Law on National Security, 2001 (multiple amendments)
- Law of Mongolia on Nuclear Energy, 2009
- Law on Petroleum, 2014 (revised version)
- Law on Petroleum Products, 2005
- Law on Supporting Oil Refinery, 2021

Law on Water, 2012

3.1.42 With regard 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 based on 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 user⁴ and the water consumer⁵. 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.

⁴ “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).

⁵ “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).

Law on Special Protected Areas, 1995

- 3.1.43 This law regulates the use and procurement of special protected areas, and the preservation and conservation of its original conditions to preserve, among other things, rare and endangered animals. The law establishes four types of protected area designations: Strictly Protected Areas; National Conservation Parks; Nature Reserves; and Monuments. The road project does not pass through any Special Protected Areas at the national level, however any sites for temporary construction purposes will need to ensure no encroachment into such areas.

3.2 EBRD Performance Requirement

- 3.2.1 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) because 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. LARP.
- 3.2.2 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.
- 3.2.3 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 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.

3.3 Comparison of Mongolian Legislation and EBRD Requirements

3.3.1 **Table 3-2** sets out the key gaps have been identified between EBRD PR5 and Mongolian legislation. In summary, these are:

- Non-titled occupants of land are not eligible for compensation and rehabilitation entitlements;
- Compensation for affected land is based on a government compensation tariff, not market or replacement rates, although there is room for negotiation with individual 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;
- There are no grievance procedures preceding dispute resolution by governors and the courts;
- Public consultation and information disclosure is not practiced; and
- An eligibility cut off date is not declared.

3.3.2 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 Legislation and EBRD Requirements

Land acquisition Issues	Provision of Mongolian Law	EBRD Requirements	Gaps and Actions Required
Expropriation	<p>Expropriation is only possible for the benefit of the State.</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 Project.</p> <p>Current practice by government in local scale projects entails a demand letter with threat of sanctions and offer of payment of compensation.</p>	Expropriation can be used as one means to acquire land if appropriate safeguards are in place and guarantee compliance with all requirements of PR5.	<p>Gap.</p> <p>Displaced person to be at least as well off as without the project.</p> <p>Identification of livelihood restoration measures.</p>
Negotiated land acquisition	The Civil Code of Mongolia provides the legal basis for contractual agreements on the transfer of land from displaced persons to the government (Chapter 15, Articles 1, 6, 7, 8, 109 and 112, among others).	International requirements encourage negotiated settlements whereby there is a willing seller and willing buyer and the settlement fair and appropriate compensation and other incentives or benefits to displaced persons or communities.	<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 are recognised.</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</p>	<p>Lack of formal legal title or recognisable legal right to land by any displaced person is not a bar to entitlement. Titled persons who have claims to land that are recognisable under national laws, and non-titled displaced persons are eligible to receive entitlements.</p> <p>Compensation for lost land will be provided to affected bona fide occupants regardless of title.</p>	<p>Gap.</p> <p>Persons will be eligible regardless of ownership or legal status.</p> <p>Occupants and users of land, regardless of title, will be eligible.</p> <p>Occupants and users of structures will be eligible regardless of ownership or title over the plot where the structures are.</p>

Land acquisition Issues	Provision of Mongolian Law	EBRD Requirements	Gaps and Actions Required
	<p>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>Compensation to bona fide owners and users of affected structures regardless of title over the plot of land where such structures and regardless of structure ownership are located will also be provided.</p> <p>People who illegally occupy the Project sites after the cut-off date are not eligible for compensation and may be evicted at their own cost.</p>	
Compensation for land	<p>Contractually agreed payment for land transferred to the government.</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>Replacement land can be provided if displaced person's entire land or large part thereof is acquired.</p>	<p>Compensation at replacement cost based on valuation at average market value, plus transaction costs and the cost of restoration to an equivalent potential as that of the affected asset.</p> <p>Preferred compensation is in-kind.</p> <p>Compensation to be provided before displacement or imposition of access restrictions.</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>Project will compensate land at replacement cost based on the definition in PR5 and as defined in this LARF.</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>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>Gap.</p> <p>Project will compensate structures at replacement cost based on the definition in PR5 and as defined in this LARF.</p>

Land acquisition Issues	Provision of Mongolian Law	EBRD Requirements	Gaps and Actions Required
		<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>Support measures will be provided, if required</p> <p>Compensation will be provided before displacement.</p>
Compensation for economic displacement, Income and livelihood rehabilitation	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>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 improve, their income earning capacity, production levels and standards of living.</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>
Community and public resource losses	Affected community and public assets can be transferred through contractual agreement under the Civil Code.	Compensation is due for affected communal resources. Negotiated settlements with relevant community organisations with respect to compensation for affected communal resources will be sought.	<p>Gap.</p> <p>Project will seek negotiated settlements with relevant community organisations with respect to compensation for affected communal resources.</p>

Land acquisition Issues	Provision of Mongolian Law	EBRD Requirements	Gaps and Actions Required
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.
Vulnerable people	No specific provisions with respect to differential impacts of displacements on vulnerable people.	Specific assistance to vulnerable people affected by displacement.	Gap. Project will identify vulnerable people and provide specific assistance as identified in this LARF.
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).	No specifically identified. No conflict with PR5.	No gap.
Cut-off date	Not covered.	An eligibility cut-off date is to be set and communicated to displaced persons. This is typically the date of completion of the census and socio-economic surveys.	Gap. A cut-off date will be set and communicated to displaced persons for any future land acquisition activities.
Grievance procedure	The Land Law refers disputes over land to the governors of administrative units and eventually the courts (Article 60).	An adequate grievance redress mechanism for displaced people is required.	Gap. Project will establish a Grievance management and resolution

Land acquisition Issues	Provision of Mongolian Law	EBRD Requirements	Gaps and Actions Required
	The Civil Code and Land Allocation Law refer various types of disputes to the courts.		mechanism that is easily accessible and disclosed to displaced people.
Information disclosure and public consultation	No specific provisions for public consultation and information disclosure, except that land acquisition is typically based on amicable and contractual transactions.	Project displaced persons are to be fully informed and closely consulted on compensation and resettlement options. Resettlement and livelihoods planning documentation is disclosed and consulted upon.	Gap. Project will disclose this LARF as part of the ESA disclosure document. Future LARPs/ should also be available for disclosure.
Monitoring and evaluation	Responsibility of local government and Citizen's Assemblies.	Establish procedures to monitor and evaluate the implementation of resettlement plans.	Gap. Project will establish a monitoring and evaluation process as defined in this LARF.

4 Project Land Requirements and Impacts

4.1 Project Land Requirements

4.1.1 Permanent and temporary land take will be required for the Project, as summarised below.

Permanent Land Requirements

4.1.2 Sainshand substation land requirements have been addressed as part of the EBRD-funded Choir-Sainshand Project and are therefore not addressed here. The Tsagaan Suvarga substation already exists, and no additional land take is required for the connection into this substation.

4.1.3 The Project will require permanent land take for the OHTL tower foundations. The tower foundations are anticipated to have the following footprint:

Table 4-1 Excavation amounts based on tower foundation specifications

Foundation System	Quantity	Number of feet	Area, m	Total area lost to the tower, m ²
Φ3-2	644	4 x 644	1.8 x 1.8	8,346.24
Φ5-AM	46	4 x 46	2.7 x 2.7	993.6
TOTAL				9,339.84

4.1.4 A 25m RoW will also need to be established along the OHTL and a 6m RoW around the substations, that will result in the loss of land uses which are not permitted within the RoW, such as constructing buildings, as set out in section 3.1.31 above. Grazing livestock is however permitted within the RoW.

4.1.5 The total permanent land area to be acquired will need to be confirmed once the final route is fixed however, it will include the width required for the towers plus a 25m RoW, which is approximately (204km x 50m) 102 m².

4.1.6 Land within this 25m RoW can be summarised as:

- Pastureland used for grazing livestock and camel
- Licenced mining areas and explosives areas
- Local protected areas
- Land allocated for development
- Infrastructure, such as roads, railways and transmission/communication lines

4.1.7 These land uses along the OHTL route are shown in **Figure 4-1** below.

108°30'0"E				109°0'0"E			
Intersection number	Intersecting facilities and strucrures	Organization name	Towers corresponding to the intersection	Legal status of land rights (possession or use)*			
1	Mining industry structures and facilities	MAK	1-3	15. Land parcel with unit number 4414003347, with possession rights			
2	Communication and information transmission lines	"Mobicom Corporation" LLC	13-14	13. Land parcel with unit area number 4414003130, with the right to use			
3	Explosive's magazine	Blast LLC	14-15	14. Land parcel with unit number 4414003271, with possession rights			
4	Communication and information transmission lines	"Mobicom Corporation" LLC	36-37	13. Land parcel with unit number 4414003130, right to use			
5	35kV 2-circuit OTL	Mongolian Railway SOJSC	54-55	Information on land tenure/use rights is not available in the database provided by the GNCC.			
6	Communication and information transmission lines	"Mobicom Corporation" LLC	57-58	13. Land parcel with the unit number 4414003130 to use right			
7	Fiber optic cable	Mongolian Railway SOJSC	57-58	Information regarding the right to possess/use land is not available in the database provided by the Land Administration and Geodesy Agency.			
8	Dirt road	Mandakh soum governor's office	77-78				
9	35kV OTL Tsagaan Suvarga-Mandah	BSERPDG SOJSC	99-100				
10	Dirt road	Mandakh soum governor's office	125-126				
11	Dirt road	Mandakh soum governor's office	133-134				
12	Dirt road	Mandakh soum governor's office	134-135				
13	Industrial and Technological Park Authority	Erdenes Tsagaan Suvarga LLC	134-136				
14	Dirt road	Mandakh soum governor's office	146-147				
15	Dirt road	Mandakh soum governor's office	146-147				
16	Fiber optic cable	Mongolian Railway SOJSC	210-211				
17	Railway	Mongolian Railway SOJSC	210-211	12. Land parcel with land possession rights number 4414003357 Information regarding the right to possess/use land is not available in the database provided by the Land Administration and Geodesy Agency.			
18	Fiber optic cable	Mongolian Railway SOJSC	210-211				
19	35kV OTL Tsagaan Suvarga-Khatanbulag	BSERPDG SOJSC	212-213	11. Land parcel with land possession rights number 4410088109 10. Land parcel with unit area number 4410086038, with the right to use			
20	Power transmission line	COAL LLC	628-630				
21	10kV OTL Railway Power Supply	UB Railway Joint Venture	640-641	9. Land parcel with unit number 4410092655, which is in the name of the Ministry of Roads and Transport, with land possession rights Information regarding the right to possess/use land is not available in the database provided by the Land Administration and Geodesy Agency.			
22	Railway	UB Railway Joint Venture	640-641				
23	Communication line	UB Railway Joint Venture	640-641	8. Land parcel with land possession rights number 4410092167 7. Land parcel with land possession rights number 4410091656			
24	Paved road	Dornogovi Aimag governor's office	645-646				
25	10kV OTL	BSERPDG SOJSC	651-652	Information regarding the right to possess/use land is not available in the database provided by the Land Administration and Geodesy Agency.			
26	110kV OTL between Sainshand-Ail Bayan	NPTG SOJSC	655-656				
27	2 circuits of 35kV OTL between Sainshand-Zuun Bayan	NPTG SOJSC	655-656	6. Land parcel with land possession rights number 4410092164 5. Land parcel with unit number 4410092656, possession right held by the Ministry of Roads and Transport 4. Land with unit number 4410092999, with possession rights			
28	Communication and information transmission lines	Information and communication network SOJSC Central Branch	666-667				
29	Communication and information transmission lines	Skynetworks LLC Dornogovi aimag branch	666-667	Information regarding the right to possess/use land is not available in the database provided by the Land Administration and Geodesy Agency.			
30	110kV OHTL	NPTG SOJSC	670-671				
31	Communication and information transmission lines	MT Networks LLC	670-671	3. Land parcel with land use right number 4410081967 Information regarding the right to possess/use land is not available in the database provided by the Land Administration and Geodesy Agency.			
32	Paved road	Dornogovi Aimag governor's office	672-673				
33	Commercial and public service facilities, centers, and complexes	Citizen Saruulbuyan N.	672-673	Information regarding the right to possess/use land is not available in the database provided by the Land Administration and Geodesy Agency.			
34	35kV OTL	BSERPDG SOJSC	673-674				
35	Fiber optic cable	MX SOJSC	674-675	2. Land parcel with unit number 4410051193, with possession right 1. Land parcel with unit area number 4410082902, with the right to use			
36	110kV OTL Sainshand-Zamiin Uud	NPTG SOJSC	674-675				
37	Fiber optic cable	MX SOJSC	675-676	Information regarding the right to possess/use land is not available in the database provided by the Land Administration and Geodesy Agency.			
38	Fiber optic cable	MX SOJSC	676-677				
39	Railway	UB Railway Joint Venture	678-679	MV-17541. Mining license number MV-17541 for the Tumen Uzii Uul/Tsagaan Suvarga area*** XV-20392. Exploration license number XV-20392 for the Dovtsog khudag area*** XV-19543. Exploration license number XV-19543 for the Tsagaan Tsaviin Hudag area*** XV-19251. Exploration license number XV-19251 for the Ungutarea***			
40	10kV OTL Railway Power Supply	UB Railway Joint Venture	678-679				
41	Communication line	UB Railway Joint Venture	678-679	Information regarding the right to possess/use land is not available in the database provided by the Land Administration and Geodesy Agency.			
42	110kV 2-circuit OTL Wind farm	NPTG SOJSC	684-685				
43	Paved road	Sainshand wind farm	684-685	2. Land parcel with unit number 4410051193, with possession right 1. Land parcel with unit area number 4410082902, with the right to use			
44	Communication and information transmission lines	Sainshand wind farm	684-685				
45	Mining license area	Mongolin Alt (MAK) LLC	1-3				
46	Exploration license area	Ochir Undraa LLC	15-34				
47	Exploration license area	Javkhlant Bold Mining LLC	517-521				
48	Exploration license area	MGL Geo Khuder LLC	521-569				

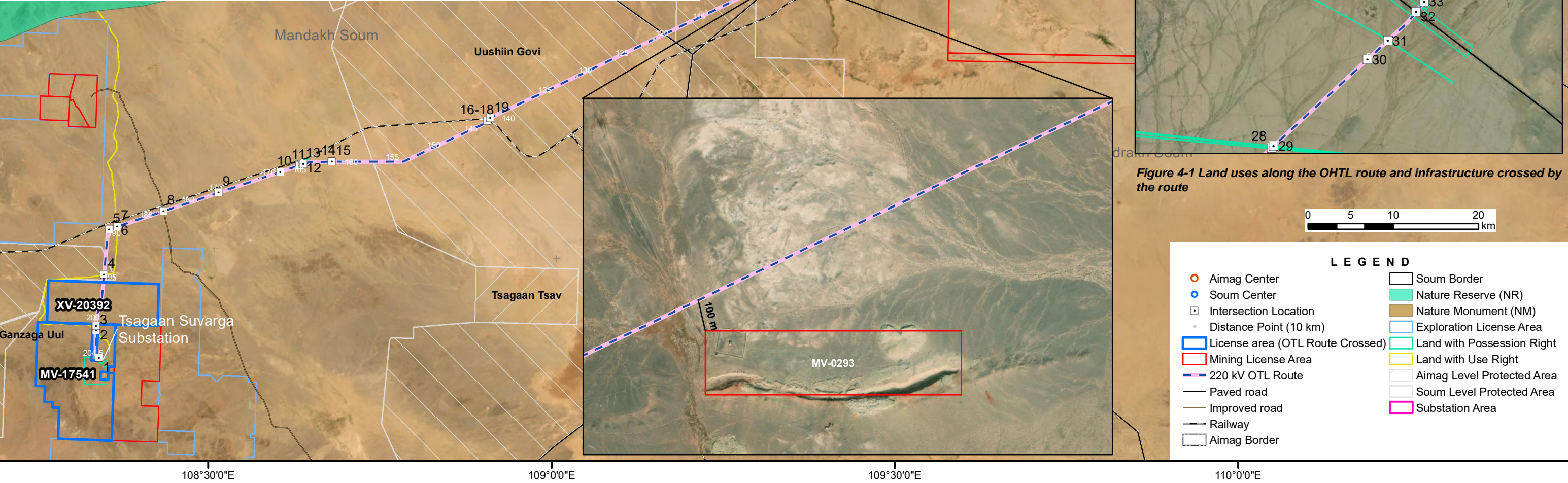
Source:

* SSTS OHTL Design document. Master Point LLC, Volume 2, Page 239, 2021

** Based on information received from the General Authority for Land Administration, Geodesy and Cartography. Land parcels with possession or use rights. 9 July, 2025

*** Based on information received from the Mineral Resources and Petroleum Authority. 7 July, 2025

Note: (1.) The numbers marked in bold are the numbers of 15 land parcels with possession and use rights, which were checked against the SSTS OHTL route based on information received from the GALAGC.



Pastureland

- 4.1.8 The land along the OHTL route is predominantly pastureland, used for grazing livestock. According to the Law on Land, summer or autumn pastures and rangelands must be allocated to *baghs* and should be used collectively. There are no designated summer or autumn pasture areas, as these change from year to year depending on forage conditions, livestock numbers, weather and the individual requirements of herder families and therefore, summer and autumn grazing is conducted informally. Pasturelands being grazed along the proposed route are shown in **Plates 2-2 and 2-3**.



Plate 4-1 Grazing livestock



Plate 4-2 Grazing livestock

Herder camps and assets

- 4.1.9 Herders in the Project area reside in *gers*⁶ within winter, autumn or summer camps, depending on the time of year. The *ger* is a mobile structure, as it was designed by herders to accommodate the nomadic lifestyle. It is generally uncommon for herder households to live at the same location in the pastureland area year-round, with herder movements being dictated by the seasons. Herders typically move at least twice a year, in spring (March – May depending on weather) and at the beginning of winter (October – November). However, more significant displacements are sometimes necessary in the search of better pastures and water resources. Herder households build winter camps and use them for holding animals during winter time which tend to be more permanent establishments. During summer and autumn when pastures grow, herders transfer their *gers* to a location they find to have good pasture.
- 4.1.10 At the time of the ESIA surveys in 2025, a total of 10 winter camps, five summer camps and one autumn camp were identified within a 1km buffer from the OHTL route however, all were outside the 25m RoW. All but one camp was located in Sainshand soum (see **Table 4-2 and 4-3**).

⁶ A ger, also known as a yurt, is a traditional Mongolian dwelling that is ideally suited to the nomadic lifestyle of Mongolia. It is a portable, collapsible tent made of a wooden frame covered with felt or fabric, allowing for easy assembly and disassembly.

Table 4-2 Summary of Herder Camps identified within 1km of the OHTL Route

Location (soum/bagh)	Winter camp	Autumn camp	Summer camp	Wells	Other assets without a camp
Sainshand soum	10	1	4	2	1
Ulaanbadrakh	-	-	1	1	-
Mandakh	-	-	-	-	-
Saikhandulaan	-	-	-	-	-

Table 4-3 Camps within 1km of the OHTL Route

Asset ID	Soum	Bagh	Type	Land tenure	Structures	Distance from OHTL, km
HH01	Sainshand	2 nd bagh, Chandmani	Winter camp	-	Livestock winter shelter, locked barn, broken car	0.2
HH02	Sainshand	2 nd bagh, Chandmani	Winter camp	Use	Livestock winter shelter, barn with wheels, ger, broken car, trailer with wheels	0.1
HH03	Sainshand	2 nd bagh, Chandmani	Winter camp	Ownership	Truck, broken barn, barn, ger, small ger	0.2
HH04	Sainshand	2 nd bagh, Chandmani	block fence	-	Ger, block fence	0.8
HH05	Sainshand	1 st bagh Dalaishand	Winter camp	Possession	Ger, kiosk, livestock winter shelter	0.9
HH06	Sainshand	1 st bagh Dalaishand	Winter camp	Possession	Livestock block winter shelter, barn, solar panel, Ger	0.7
HH07	Sainshand	6 th bagh, Khairkhan	Winter camp	Possession	Livestock winter shelter, broken car wrecks, kiosk	0.6
HH08	Sainshand	6 th bagh, Khairkhan	Summer camp	-	House, solar panel, kiosk, livestock fence-2 Car, Motorcycle	0.6
HH09	Sainshand	6 th bagh, Khairkhan	Winter camp	Possession	Kiosk, car wreck, livestock winter shelter	0.6
HH10	Sainshand	5 th bagh, Zuunbayan	Winter camp	Possession	Water container, fence made with wheels	0.2
HH11	Sainshand	5 th bagh, Zuunbayan	Winter camp	Possession	A broken bus, 2 kiosk, a winter shelter, and a large water container	0.5
HH12	Sainshand	5 th bagh, Zuunbayan	Winter camp	Possession	Ger, camel fence, water container	0.1
SCSWS01	Sainshand	2 nd bagh, Chandmani	Summer camp	-	Ger, livestock fence	0.5
SCSWS02	Sainshand	2 nd bagh, Chandmani	Summer camp	-	Ger, livestock winter shelter	0.6
SCSWS03	Sainshand	6 th bagh, Khairkhan	Summer camp	-	Ger	0.2
SCSWS04	Ulaanbadra kh	Argalant	Summer camp	-	Ger, car, livestock moving fence	1.1
SCS02	Sainshand	6 th bagh, Khairkhan	Autumn camp	-	No structure	1



Plate 4-3 Herder settlements along the Project route

4.1.11 A total of nine wells were also identified within 1km of the OHTL (**Table 4-4** and **Plate 4-4**). None of these were within the 25m RoW.

Table 4-4 Wells within 1km of the OHTL Route

No.	Name of Well	Latitude	Longitude	Distance from the OHTL route (km)	Function
1	Well01	44.81299	110.01580	0.95	Drinking water and livestock.
2	Well02	44.51672	109.66397	0.95	Drinking water and livestock.
3	Well03	44.51675	109.66381	0.96	
4	Well04	44.52088	109.66157	0.97	Unknown- Site owner was not present at the time of the survey.
5	Well05	44.425652	109.55187	0.84	Drinking water and livestock
6	Well06	44.35902	109.46652	0.82	Unknown- Site owner was not present at the time of the survey.
7	Well07	44.15948	108.91027	0.85	Unknown- Site owner was not present at the time of the survey.
8	Well08	44.04614	108.43514	0.90	Unknown- Site owner was not present at the time of the survey.

No.	Name of Well	Latitude	Longitude	Distance from the OHTL route (km)	Function
9	Well09	44.82330	110.03775	0.90	Unknown- Site owner was not present at the time of the survey.



Plate 4-4 Wells along the OHTL route

Mining and explosives

4.1.12 As of 2025, the following mining licences are applicable within the 25m RoW, which are shown in **Figure 4-2**:

Table 4-5 Mining licences within the RoW

License Name	Soum	License ID number	License Holder's Registration Number	Type	Dates	Description
Ungut	Sainshand	XV-19251	5935288	Exploration licence - inactive	05/11/2015 - 05/11/2027	The site shows no evidence of active exploration activities, either from direct field inspection or satellite imagery analysis.
Tsagaan tsaviin khudag	Sainshand	XV-19543	5877539	Exploration licence - inactive	12/22/2015- 12/22/2027	The site shows no evidence of active exploration activities, from satellite imagery analysis.
Dovtsog Khudag	Mandakh	XV-20392	2659603	Exploration licence - inactive	12/21/2015 12/21/2027	The site shows no evidence of active exploration activities, from satellite imagery analysis.
Tumen Ulzii Uul/ Tsagaan Suvarga	Mandakh	MV-17535	2095025	Mining	5/27/2014 - 5/27/2044	Tsagaan Suvarga mine started construction in 2014 and will reach full operation in 2026, and is due to operate for at least 20-25 years, based on current contracts.

- 4.1.13 There is also an area to the north of Tsagaan Suvarga mining licence area (# 3 on **Figure 4-1**), land parcel unit number 4414003271, with possession rights by an explosives company called Blast. Blast provide a blasting service to mining companies. A DEIA for development of this site has been approved by the Ministry of Environment and Climate Change and construction is underway for storage of explosives; though it is not known if the development area includes areas under the proposed route of the OHTL.



Figure 4-2 Location of mining licences and Blast area along the OHTL route

Protected Areas

- 4.1.14 There are three locally protected areas (LPAs) that the OHTL route passes through:
- Zoogiin Hooloi (historical and cultural heritage site)
 - Uushiin Gobi (priority conservation area)
 - Ganzaga Uuliin Urgutgul (priority conservation area)
- 4.1.15 Uushiin Gobi and Ganzaga Uuliin Urgutgul LPAs are also entirely included within the areas that are considered Priority Conservation Areas. Although Priority Conservation Areas outside existing LPAs are not formally protected, future protection may be applied to these areas.
- 4.1.16 According to the information on the website of the Environmental Information Center of Mongolia, Zoogiin Hooloi LPA was designated on July 30, 2014, and was released from protection on July 30,

2019; parts of Uushiin Govi have been released from protection; and Ganzaga Uuliin Urgutgul LPA is planned to be released from protection in 2036. The reason for releases is not available.

Land Allocated for Development

4.1.17 According to data provided by the Land Agency in the Project soums, there are several areas that have been identified as land allocated for development:

- A land parcel allocated to an industrial and technological park (#13 on **Figure 4-1**). Located south of the railway. The OHTL route alignment passes through this parcel, with Tower No.135 planned to be constructed on this land. The landholder (Erdenes Tsagaan Suvarga LLC) has not yet commenced any development activities on this site.
- A land parcel allocated to commercial and public service facilities, centres, and complexes (#33 on **Figure 4-1**). At present, the landholder, Kh. Saruulbuyan, has not undertaken any development activities. The OHTL route alignment passes through this parcel, with Tower No.673 planned for construction within the site.

Infrastructure

4.1.18 In addition, the OHTL route crosses various paved and dirt roads, railways and transmission and communications lines:

- Communication and information transmission lines – 9
- 10kV OHTL – 3
- 35kV OHTL – 5
- 110kV OHTL – 4
- Fibre optic cables – 6
- Paved roads – 3
- Dirt roads – 6
- Railway – 3

4.1.19 To date, it is understood that no agreements have been made with the various land owners or users identified above, beyond agreement in principle on the preferred route for the OHTL. The design team that identified the route for the MoE, MasterPoint LLC, obtained an approval page with signatures from the following organisations: NPTG, Dornogovi Aimag, Mongolian Railways, National Emergency Management Agency, National Dispatching Center, Baganuur-South East Region Power Transmission, Land Relation, Urban Development Agency and the Dornogovi Branch of the Information & Communication Network. Any changes to the preferred route in principle would require final agreement with the same parties.

4.1.20 Also, NPTG, as the final operator of the transmission line, will need to secure possession rights for the OHTL route and its RoW in accordance with the Law on Land. To do this, the NPTG will need to agree use of the land with the following:

- Individuals or organisations that possess access to the areas of land allocated for development and agree that the land can be used for the Project;
- Mining licence holders;
- Mineral Resources and Petroleum Authority;

- The company Blast, who own the site for explosives storage near Tsagaan Suvarga mine;
- Utility and infrastructure owners that could be affected by the construction of operation of the project, such as the railway line operators;
- Aimag and soum leaders, for any changes to the existing route; and
- Local herders within 1km of any final route.

4.1.21 Once a final route has been confirmed, the NPTG will need to apply for land possession in line with the Law on Land. This requires an application for land possession through the e-government service system. As part of that process, in accordance with Article 32.1 of the Law on Land, information must be provided on:

- Purpose and duration of land possession;
- The entity's registered name, jurisdiction, address, and a copy of the state registration certificate;
- A schematic map showing the administrative and territorial unit, size, boundaries, location, and plot of land where the entity intends to conduct production or services; and
- The purpose and duration of land possession.

4.1.22 Upon receipt of the application, the land officer of the soum, aimag, capital city, or district must register it in accordance with the procedures approved by the state administrative authority in charge of land matters. The registration shall record the year, month, day, hour, and minute of receipt, and a certificate of this record shall be issued to the applicant. The possession of the land is issued 15 or 30 years (depending on the request) and can be extended for a further 15 years.

Temporary Land Requirements

4.1.23 Temporary land take may be required for:

- Access roads for construction materials
- Construction compounds and working areas
- Construction workers' camp, if used

4.1.24 The location of these sites will be determined by the Construction Contractor and therefore is not currently known. It is assumed that the Construction Contractor will clear some or all of the 25m 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.

Avoidance of Impacts

4.1.25 According to the MoE, the site of the OHTL route has been such to minimise displacement impacts as far as possible, avoiding any major settlements and herder camps; and does not pass through any active mines with the exception of passing through part of the mining area (not being worked on) for the connection to the Tsagaan Suvarga substation.

4.2 Project Impacts

4.2.1 No land acquisition activities have been undertaken to date on the Project. Based on the Project information and general assessments to date, it is anticipated that the Project land requirements will not result in any physical displacement but could result in some permanent or temporary economic

displacement. The potential impacts are summarised in **Table 4-1**.

Table 4-6 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	<p>The footprint of the towers and RoW will result in the permanent loss of land/access to land for:</p> <p>Four mining licence areas:</p> <p>Tsagaan Suvarga mine is operational. The permanent loss of land where the OHTL and its RoW passes through the mining licence area is very small and will not affect the majority of this licenced area.</p> <p>Tsagaan tsaviin khudag exploratory mining licence area - The OHTL route passes through the edge of this area; there is currently no activity at this site.</p> <p>Dovtsog Khudag exploratory mining licence area - The OHTL route passes through this area; there is currently no activity at this site.</p> <p>Ungut exploratory mining licence area – The OHTL route passes through the middle of this site. The licence is not currently under use and is due to expire in 2027.</p> <p>The loss of land above is not anticipated to create any physical displacement.</p> <p>One explosives storage site to the immediate north of Tsagaan Suvarga mine:</p> <p>The OHTL route also passes through the middle of the site. The site is currently under construction, though the area of development in relation to the route is currently unknown.</p> <p>PCA/LPAs:</p> <p>Whilst land will be lost in these areas permanently, the route (and its 25m RoW) has been agreed by Dornogovi aimag government and the local soums (who also designate these sites). All of these LPAs have either have been released or are due to be released from designation.</p> <p>Two areas of land allocated for development:</p> <p>The OHTL route passes over two areas of land allocated for development:</p> <p>A land parcel allocated to an industrial and technological park (#13 on Figure 4-1)</p> <p>A land parcel allocated to commercial and public service facilities, centres, and complexes (#33 on Figure 4-1)</p>

Displacement Category	Impact Source	Type of Displacement / Impact of Loss
		<p>However, these sites have not been developed and it is anticipated that new land could be allocated for them in a similar area.</p> <p>There will be no permanent loss of access to land for grazing livestock.</p>
Permanent loss of or displacement of residential properties or associated structures	Footprint of the Project	No residential buildings or gers have been identified within the Project footprint or 6m/25m RoW. However, 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. It will also be important to verify this position upon any micro-siting of the towers.
Permanent loss of or displacement of wells	Footprint of the Project	No wells were identified within the 6m/25m 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 as part of a pre-construction survey.
Permanent impact on business and income	Footprint of the Project	<p>Four mining licence areas:</p> <p>Tsagaan Suvarga mine is operational. The permanent loss of land where the OHTL and its RoW passes through the mining licence area is very small and will not affect the majority of this licenced area. Rather, beneficial impacts associated with improved electricity transmission are anticipated due to improved transmission that will support the planned expansion of this mine.</p> <p>Tsagaan tsaviin khudag exploratory mining licence area - The OHTL route passes through the edge of this area and there is currently no activity at this site. No economic displacement of this mine is currently anticipated.</p> <p>Dovtsog Khudag exploratory mining licence area - The OHTL route passes through this area; there is currently no activity at this site and is due to expire in 2027.</p> <p>Ungut exploratory mining licence area – The OHTL route passes through the middle of this site. The licence is not currently under use and is due to expire in 2027. Whilst it is unlikely any economic displacement will be realised, this should be verified with the mine licence owner.</p> <p>One explosives storage site to the immediate north of Tsagaan Suvarga mine:</p> <p>The OHTL route also passes through the middle of the site. The site is currently under construction, though the area of development in relation to the route is currently unknown. The potential for economic displacement related to development of the site needs to be verified with the owner, Blast.</p>

Displacement Category	Impact Source	Type of Displacement / Impact of Loss
		<p>The two areas of land allocated for development would likely be made unviable due to the OHTL route passing over them; however, it is currently understood that whilst allocated, no development has taken place or is due to take place on these sites. Further verification is required with the owners of these parcels.</p> <p>As grazing will still be permitted during operation, no permanent adverse impact on the livelihoods of herders is anticipated.</p>
Permanent impacts on livelihoods	Footprint of the Project	<p>As grazing will still be permitted during operation, no permanent adverse impact on the livelihoods of herders is anticipated.</p> <p>For employees of the businesses mentioned above, no impact is envisaged.</p>
Permanent impacts on cultural heritage	Footprint of the Project Operation of the Project	<p>There are no cultural heritage features within the Project footprint. The setting of other cultural heritage features in the Project Area is not considered to be adversely affected by the OHTL. However, the MoE must commission a specialist Mongolian organisation to undertake archaeological and paleontological surveys (and potentially also an ethnographical study) in line with Mongolian law relating to land use and cultural heritage; and therefore, following this survey, the potential for displacement should be reviewed.</p>
Permanent impacts on protected sites	Footprint of the Project	<p>There are three locally protected areas along the route.</p> <ul style="list-style-type: none"> • Zoogiin Hooloi (historical and cultural heritage site) • Uushiin Govi (priority conservation area) • Ganzaga Uuliin Urgutgul (priority conservation area) <p>There will be a permanent loss of land within these sites under the footprint of the Project towers. Given the small footprint of each pylon and the release of parts of these sites from protection; and considering that the land use will not be restricted during operation, 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 who currently use these areas.</p>
Temporary loss of land or access to land	Construction compounds and land requirements for access roads, etc.	<p>The construction of a linear project could result in temporary loss of access to pastureland. However, it is anticipated that works would be undertaken in tranches and therefore, it is not considered that access east-west across the route will be significantly affected.</p>
Temporary loss of or displacement of structures	Construction compounds and land requirements for access roads, etc.	<p>None currently identified.</p>

Displacement Category	Impact Source	Type of Displacement / Impact of Loss
Temporary loss of or displacement of business and income	Construction works	None currently identified.
Temporary loss of livelihoods	Permanent and temporary Project footprint.	There may be temporary impact arising from e.g. use of water sources, potential for pollution, and potential collisions with livestock during construction.
Temporary impacts on cultural heritage	Permanent and temporary Project footprint.	None currently identified. As above, the MoE must commission a specialist Mongolian organisation to undertake archaeological and paleontological surveys (and potentially also an ethnographical study) in line with Mongolian law relating to land use and cultural heritage; and therefore, following this survey, the potential for displacement should be reviewed. There is also a potential for discovery of unknown features during construction excavations – this would be managed via a chance finds procedure.
Temporary impacts on protected sites	Permanent and temporary Project footprint.	As above for permanent impacts. No additional impacts are anticipated during construction.

5 Objectives, Principles and Process

5.1 Objectives of the LARF

5.1.1 The objectives of this LARF are to:

- Identify potential Project impacts in accordance with Mongolian legislation and EBRD PR5, including any 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 eligibility and entitlements criteria and compensation entitlements matrix according to different types of impact;
- Identify the needs of Project Displaced Persons (PDPs), especially vulnerable persons;
- Establish criteria for the requirements of a RAP/LRP prior to construction and associated with any Project micro-siting;
- Define the engagement process with PDPs, and grievance mechanism related to land clearance and land allocation;
- Define monitoring and reporting requirements; and
- Identify future actions and responsibilities for the preparation of a RAP/LRP.

5.2 Principles

5.2.1 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;
- Avoid or minimise involuntary displacement (including physical and economic).
- 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 response.
- Monitoring of all compensation, resettlement and livelihood restoration activities will be carried out regularly.

5.3 Key Definitions

5.3.1 The following key definitions will be used:

Table 5-1 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.
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

Term	Definition
	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	<p>A livelihood comprises the capabilities, assets and activities required for a means of living such as:</p> <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) <p>Remittances from family or relatives.</p>
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.

5.4 Compensation, Resettlement and Livelihoods Restoration Process

5.4.1 The process of the allocation of the land and RoW and, if relevant based on the final Project location, providing necessary compensation and livelihood restoration measures, will be undertaken in accordance with national legislation and EBRD PR5 requirements. The overall process to be followed is summarised in **Figure 5-1 below**. A summary of the actions required is provided in **Appendix A**.

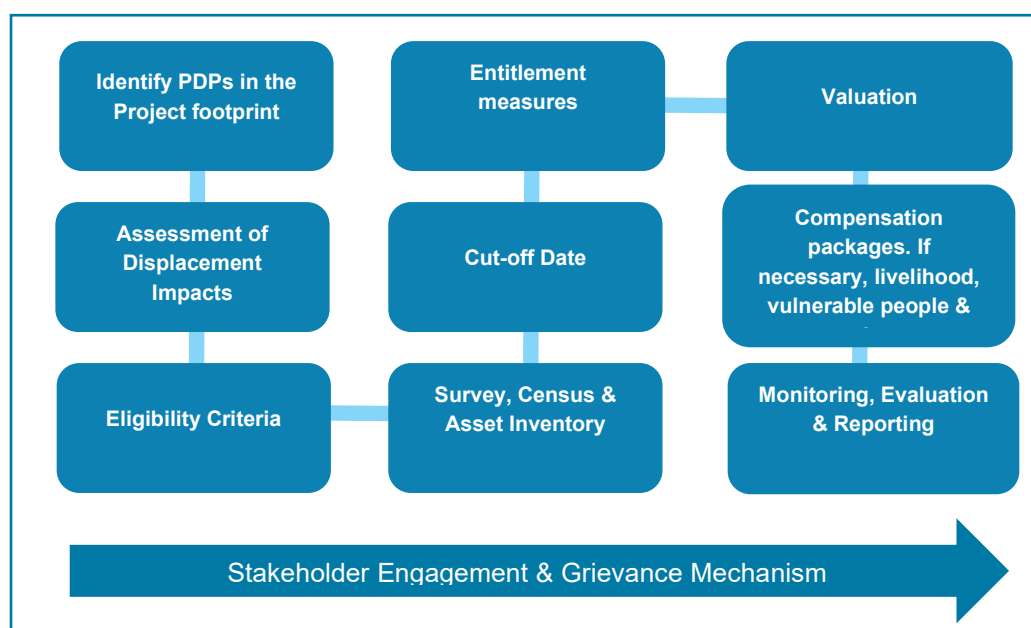


Figure 5-1 Compensation, Resettlement and Livelihoods Restoration Process

6 Implementation Activities

- 6.1.1 At this stage, it is not considered that there will be physical or economic displacement impacts resulting in the requirement for a detailed RAP or LRP. However, this will be reviewed prior to construction on the basis of the final agreed route, taking into account any micro-siting needed (for example, if agreement is not reached to use land under a mining licence with the licence holder). The activities below should be undertaken on a needs only basis.

6.2 Actions to Avoid or Minimise Impacts

- 6.2.1 The detailed design is understood to have been completed. Nonetheless, there will be activities associated with confirming the final alignment and micro-siting of the route. During this process, measures should be taken to avoid, reduce and minimise displacement impacts on livelihoods and cultural heritage features.
- 6.2.2 To fulfil these objectives preference should be given to the use of publicly owned land or, if privately owned land is needed, such land will be acquired through voluntary lease agreements, without the use of expropriation wherever possible.
- 6.2.3 To this end, it is recommended that the MoE/PIU Consultant and Construction Contractor develop a procedure (checklist) for the purposes of proactively selecting sites that avoid and, where this is not possible, minimise displacement. Any measures taken to avoid, reduce or minimise displacement impacts should also be recorded within the RAP/LRP.

6.3 Assessment of Displacement Impacts

- 6.3.1 The displacement impacts identified in this LARF are preliminary and should be supplemented, refined, and verified by a fuller assessment once the final route including any micro-siting is known. As part of this process, detailed identification and mapping of PDPs and the displacement affected area should be undertaken, as relevant. This will cover the class of land, ownership and tenure and land use (including private and communal land), location and nature of businesses and assets used by local communities. The following sets out the approach to confirm and verify in the instance there is the potential for economic and/or physical displacement associated with the final route.

6.4 Verification of Impacts

Census

- 6.4.1 A record should be obtained of all individuals and households that could be affected by the Project. 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 several 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.

6.4.2 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 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 below).

6.4.3 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.

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

Asset Inventory

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

6.4.6 Affected assets 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.

6.4.7 The surveyors will also identify whether the PDPs with *gers* 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.

Socio-Economic Surveys

6.4.8 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 of will be required of any PDPs identified in the

above survey work. 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.

Identify Vulnerable People / Groups

- 6.4.9 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.

PDP Database

- 6.4.10 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

- 6.5.1 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.
- 6.5.2 Once the date for the above surveys is confirmed, the MoE/PIU will 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.
 - 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.
- 6.5.3 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 Project footprint between the cut-off date and the start of construction; this will be managed through periodic monitoring (field visit) of the route. 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 Project footprint.

6.6 Valuation

- 6.6.1 Valuation methods will need to be developed in detail by the MoE (or nominated organisation) using, where applicable, registered valuation specialists. The valuation of each entitlement should be reported in the RAP/LRP.

6.7 Compensation Packages

- 6.7.1 The MoE (or nominated organisation) 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.
- 6.7.2 Compensation **may** include, as identified in **Table 7-1 in section 7**, any of the following:
- Relocation of camps 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;
 - Povision of measures to address loss of business income;
 - Assistance measures for vulnerable PDPs; and
 - Assistance measures for livelihood restoration.
- 6.7.3 Compensation packages will 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.
- 6.7.4 A Compensation Agreement should be made with all PDPs and be signed by the following:
- Compensation Recipient and spouse;
 - Witness representing compensation recipient; and
 - MoE/PIU.
- 6.7.5 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.
- 6.7.6 Compensation will be provided either in cash, kind, and/or through assistance (**Table 6-1**). 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 6-1 Methods of compensation

Cash payments	Compensation will be calculated in MNT. Rates and will be adjusted for inflation.
In-kind compensation	Compensation may include items such as land, houses, other buildings, building materials, seedlings, agricultural inputs and financial credits for equipment.
Assistance	Assistance may include moving allowance, transportation assistance, labour, training and counselling.

- 6.7.7 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.

6.8 Budget and Timeline

- 6.8.1 The Mo (or nominated organisation) 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.
- 6.8.2 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.
- 6.8.3 The MoE (or nominated organisation) will ensure the timely allocation of necessary budgets for RAP/LRP implementation.

6.9 Preparation of RAP/LRP and Disclosure

- 6.9.1 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 B**.
- 6.9.2 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 MoE offices in Ulaanbaatar. Any confidential information will be excluded from the disclosed document.

6.10 Implementation / Disbursements

- 6.10.1 To ensure the disbursement of compensation packages, it is recommended that a Compensation and Resettlement Coordinator is appointed within the MoE/PIU. Disbursement of compensation to the PDP should be undertaken based on the agreed entitlement matrix and compensation packages.
- 6.10.2 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 residential property/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.

- 6.10.3 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 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 affected in instalments rather than as a “one off”, with a clear payment schedule.
- 6.10.4 All compensation payments should, to the extent possible, be issued in the presence of the PDP and the spouse, where relevant.
- 6.10.5 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.
- 6.10.6 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.
- 6.10.7 Records should be maintained of all disbursements made, and progress of the disbursement of compensation packages monitored.

6.11 Monitoring, Evaluation and Reporting

- 6.11.1 Monitoring of the compensation and livelihood restoration process will be carried out by the MoE (or nominated organisation) 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.
- 6.11.2 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.
- 6.11.3 **Table 6-2** 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 6-2 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 Grievance Mechanism records	Monthly
Number and type of affected assets (land, houses, non-residential structures, crops, trees, etc.)	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)	HR Department Other departments as necessary	Biannually
Reinstatement of land – number of plots complete	Construction Contractor reports and Grievance Mechanism 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 people/households resettled, type of resettlement, 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	Grievance Mechanism	Monthly

Indicator	Source of Information	Frequency of Measurement
grievances and trends	records	
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
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

- 6.11.4 A RAP/LRP database will be maintained of PDPs and assets affected because of the Project, and compensation, resettlement and livelihood restoration measures that will be/have been implemented. This database will be updated regularly. All information on individuals/families and their compensation payments will be kept confidential.
- 6.11.5 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.
- 6.11.6 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.

7 Eligibility and Entitlements

- 7.1.1 This section contains an Entitlements Matrix that identifies potential categories of PDPs and the compensation measures they could be entitled to. The Matrix is provisional as it identifies all possible scenarios and groups of affected people, while the future detailed RAP and/or LRP will contain a refined and tailored Entitlements Matrix reflecting the categories of affected people identified during a census and asset inventory survey.
- 7.1.2 EBRD 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.
- 7.1.3 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.
- 7.1.4 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. Eligibility for compensation will be established based on the census and asset inventory survey data.
- 7.1.5 The Entitlements Matrix presented below contains entitlements in line with EBRD's PR 5.

Table 7-1 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	<ul style="list-style-type: none"> Landowners with title Landowners who have a claim to land that is recognised or recognisable under national laws 	<ul style="list-style-type: none"> Notice to vacate land preferably 6 months in advance, but a minimum of 3 months in advance, and <p>Either:</p> <ul style="list-style-type: none"> A private negotiated agreement and, as appropriate, rate where the affected PDP can voluntarily sell their assets⁷ <p>Or:</p> <ul style="list-style-type: none"> Provision of a new like-for-like land plot including lost assets. <p>Or:</p> <ul style="list-style-type: none"> Cash compensation at full replacement cost (based on current market value plus transaction costs related to restoring land and re-registration related to a land plot).
		<ul style="list-style-type: none"> Land users who have a claim to land that is recognised or recognisable under national laws e.g. tenant Landowners or users who have no recognisable legal right or claim to the land they occupy or use 	<ul style="list-style-type: none"> Notice to vacate land preferably 6 months in advance, but a minimum of 3 months in advance, and Provision where necessary of assistance to identify replacement land. <p>Or:</p> <ul style="list-style-type: none"> Where suitable alternative land is not available, or notice to vacate without warning is necessary, provision of a one-time minimum monthly subsistence cash allowance for

⁷ 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
			3 months. This will only apply where the PDP does not have another residence/land plot they are renting.
Temporary loss of, or loss of access to, land	Temporary loss of land during construction for access roads, construction works, compounds, etc.	<ul style="list-style-type: none"> Landowners with title Landowners who have a claim to land that is recognised or recognisable under national laws Land users who have a claim to land that is recognised or recognisable under national laws e.g. tenant 	<ul style="list-style-type: none"> Advance notice of works locations and timing. Wherever possible, maintaining access during construction works. Where this is not possible: <ul style="list-style-type: none"> Compensated on the productive (economic) value of the plot during the period of impact (i.e., multiplied by the number of days disturbance), and After use, the land will be re-established to the pre-impact productive conditions. If loss of access is to pastureland: <ul style="list-style-type: none"> Provision where necessary of assistance to identify replacement pastureland for grazing or provision of fodder during the period of access restriction. Where necessary, assistance in moving camps, if the area of land affected or time that access will be restricted prevents household grazing in the area.
		<ul style="list-style-type: none"> Landowners or users who have no recognisable legal right or claim to the land they occupy 	<ul style="list-style-type: none"> Advance notice of works locations and timing. Wherever possible, maintaining access during construction works.
Permanent loss of residential properties	Alteration to, damage of, relocation or full loss of structure	<ul style="list-style-type: none"> Owners 	<ul style="list-style-type: none"> Notice to vacate buildings or structures should be given preferably 6 months in advance, but a minimum of 3 months in advance. 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>And either:</p> <ul style="list-style-type: none"> Provision of adequate replacement housing of the same or higher value than the property to be lost. Payment of all transaction costs e.g., land registration for the property.

Type of Displacement/Loss	Impact Source	Eligibility Conditions	Compensation Entitlement
			<p>Or</p> <ul style="list-style-type: none"> Cash compensation for loss of buildings/structures at full replacement cost free of depreciation and transaction costs. In all cases, where the Client allows, possibility for PDP to use salvageable materials from the demolished structure.
		<ul style="list-style-type: none"> Formal and informal users e.g., tenants and illegal squatters 	<ul style="list-style-type: none"> Notice to vacate buildings or structures should be given preferably 6 months in advance, but a minimum of 3 months in advance. Where the PDP has no other property, tenants will be provided with a rental compensation, equivalent to 3 months rental at current market value. <p>And</p> <ul style="list-style-type: none"> Assistance in relocation free of charge OR cash compensation in the form of a moving allowance (e.g., transportation valued at current market prices).
Permanent loss (relocation) of camps and associated structures and land	Alteration to, damage of, or full loss of camp and associated land / structures	<ul style="list-style-type: none"> Landowners or users with title Landowners or users who have a claim to land that is recognised or recognisable under national laws Landowners or users who have no recognisable legal right or claim to the land they occupy 	<ul style="list-style-type: none"> Notice to vacate the land should be given preferably 6 months in advance, but a minimum of 3 months in advance. <p>And:</p> <ul style="list-style-type: none"> 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 (winter camps only, not applicable to Spring or Autumn camps). Assistance in relocation free of charge or Cash compensation in the form of a moving allowance (e.g. transportation valued at current market prices).

Type of Displacement/Loss	Impact Source	Eligibility Conditions	Compensation Entitlement
Permanent loss of business structure (commercial, industrial)	Alteration to, damage of, or full loss of structure	<ul style="list-style-type: none"> Owners 	<ul style="list-style-type: none"> Notice to vacate land, buildings or structures should be given preferably 6 months in advance, but a minimum of 3 months in advance. 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>And either:</p> <ul style="list-style-type: none"> Provide replacement business property of equal or greater value. <p>Or:</p> <ul style="list-style-type: none"> Cash compensation at full replacement cost.
		<ul style="list-style-type: none"> Formal and informal user of structure e.g. leaseholder 	<ul style="list-style-type: none"> Notice to vacate land, buildings or structures should be given preferably 6 months in advance, but a minimum of 3 months in advance. 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>And either:</p> <ul style="list-style-type: none"> Replacement premises for lease, if possible. <p>Or:</p> <ul style="list-style-type: none"> Cash compensation at replacement value for new lease (3 months) and all transaction costs associated with new lease.
Temporary loss of business structure	Temporary physical displacement of business structure (shop, office space)	<ul style="list-style-type: none"> Owner Leaseholder 	<ul style="list-style-type: none"> Notice to vacate land, buildings or structures should be given preferably 6 months in advance, but a minimum of 3 months in advance. <p>Either:</p> <ul style="list-style-type: none"> Provide alternative location for business during temporary displacement, covering temporary relocation costs at market value.

Type of Displacement/Loss	Impact Source	Eligibility Conditions	Compensation Entitlement
			Or: <ul style="list-style-type: none"> Minimum subsistence allowance for days of business stoppage.
Permanent loss of 'other' structures e.g., billboards, sheds, etc.	Alteration to, damage of, relocation or full loss of structure	<ul style="list-style-type: none"> Owners of structure 	<ul style="list-style-type: none"> Restoration of lost asset(s) and reinstatement of service in agreement with relevant authorities.
Permanent loss or relocation of wells	Alteration to, damage of, relocation or full loss of structure	<ul style="list-style-type: none"> Community or privately owned well (herder households) 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Community or privately owned well (herder households) 	<ul style="list-style-type: none"> Advance warning. Provision of access to alternative water sources.
Permanent loss of a business / business income	Permanent loss of business due to loss in footprint	<ul style="list-style-type: none"> Business owner 	<ul style="list-style-type: none"> Cash indemnity for the loss of income during the period of transition i.e. until the re-establishment of the business in another location; up to a maximum of 12 months.
Temporary loss of a business / business income	Temporary loss during relocation of business structure	<ul style="list-style-type: none"> Business owner 	<ul style="list-style-type: none"> Cash indemnity for the loss of income during the period of transition i.e. until the re-establishment of the business in another location; up to a maximum of 12 months.

Type of Displacement/Loss	Impact Source	Eligibility Conditions	Compensation Entitlement
Permanent loss of employment / income	Permanent loss of income due to construction or operation activities	<ul style="list-style-type: none"> Employee 	<ul style="list-style-type: none"> Cash indemnity for lost wages equal to actual wage for 4 months of verified salary (formal employees) or one-time minimum subsistence allowance in cash for 3 months. Assessment to be based on tax declaration form or, in its absence.
Temporary loss of employment / income	Temporary loss of income	<ul style="list-style-type: none"> Employee 	<ul style="list-style-type: none"> Cash indemnity for lost wages equal to actual wage for 4 months of verified salary (formal employees) or one-time minimum subsistence allowance in cash for 3 months. Assessment to be based on tax declaration form or, in its absence.
Permanent loss or displacement of cultural heritage	Alteration to, damage of, relocation or full loss of cultural heritage and archaeology	<ul style="list-style-type: none"> Owner 	<ul style="list-style-type: none"> Avoidance of loss or damage where possible e.g. by fencing around the feature during construction though allowing access where necessary. Case-by-case agreement with owner.
		<ul style="list-style-type: none"> Local community 	<ul style="list-style-type: none"> Avoidance of loss or damage where possible e.g. by fencing around the feature during construction though allowing access where necessary. According to the requirements of Government, local ceremonies, customs, or practices.
Livelihood loss	PDPs losing more than 20% of their income or land	<ul style="list-style-type: none"> All eligible PDPs 	<ul style="list-style-type: none"> Livelihood restoration assistance will be determined on a case-by-case basis, and may include provision of fodder during the winter months for pastoralists; skills training; and access to Project jobs or, where necessary, compensation at the minimum national salary for an agreed period e.g. 3-6 months.
Vulnerable PDPs	All impacts	<ul style="list-style-type: none"> All vulnerable PDPs 	<ul style="list-style-type: none"> Vulnerable PDPs will receive additional assistance and help which will be determined on a case-by-case basis.
Unforeseen impacts during construction	Impacts during construction to assets	<ul style="list-style-type: none"> All PDPs 	<ul style="list-style-type: none"> Due compensation to be assessed and paid when the impacts are identified based on the above provisions and the requirements of EBRD PR5.

8 Resettlement and Livelihood Restoration Measures

8.1 Resettlement Planning and Assistance

- 8.1.1 If there is a requirement to physically relocate people, the PDP should be offered either a suitable alternative or cash compensation. Where new alternative properties and site is required, the MoE/PIU or their specialist consultants should identify suitable properties and sites in consultation with the PDP and relevant authorities. Where a new building will be constructed, the design and area of plot should be agreed with the PDP.
- 8.1.2 Relocation planning and design will need to address the following:
- Property selection and suitability or site selection and physical planning of relocation site;
 - Identification of impacts on relocated persons;
 - Design of replacement structures and sites and infrastructure; and
 - Land acquisition/registration/clearance process and procedures.
- 8.1.3 The proposed relocation site(s) will be selected by the MoE/PIU or their specialist consultants through consultation with the host landowner(s). In general, the site should ideally:
- Be largely unoccupied, to minimize effort and expense to acquire the land and to plan, design and construct the resettlement plots and houses;
 - Be in the same area as the site relocated from;
 - Have enough area to accommodate the number of households likely to require resettlement; and
 - Have suitable infrastructure for development.
- 8.1.4 All PDPs requiring to be relocated will have all residential structures replaced. A local housing architect will be contracted to design the structures to be constructed. General design objectives for replacement residential structures include:
- Affordability – construction costs are affordable for the Project, and maintenance costs are affordable for residents.
 - Familiarity and simplicity – materials, technology and design are familiar to local contractors and residents, and are easy to maintain.
 - Availability – building materials and appropriate construction competence are available locally.
 - Flexibility – designs provide for residents to change uses over time (e.g., change in function of rooms); and
 - Potential for expansion – designs and plot layout provide the potential to add new rooms, as residents' needs and economic situation change.
- 8.1.5 The Project will be responsible for acquiring the relevant sites, their payment and any legal responsibilities, clearing the land, and providing the plot areas and building structures to be replaced.
- 8.1.6 Where the affected residential property owners opt for cash compensation rather than alternative replacement property, or if no suitable substitute property can be identified in the area, structures will be compensated in cash at full replacement cost. Full replacement cost is the market cost of either:

- i. the amount the property might be expected to realise if sold on the open market at the time of the notice to yield up possession, plus transaction costs, including the expenses of moving, registration and transfer taxes or
- ii. the cost of materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labour and contractors' fees, plus the cost of any registration and transfer taxes.

8.1.7 In determining the replacement cost, depreciation of the asset and the value of salvage materials are not considered, nor is the value of benefits to be derived from the project deducted from the valuation of an affected asset. It also includes costs for levelling or other preparation for new construction or use. Costs are calculated based on the time at which the asset is being replaced, if not, inflation must be considered.

8.1.8 Resettlement Assistance will also be provided. This will be defined based on the outcome of a census and asset inventory, in accordance with the specific needs of PDPs. This assistance may include the following:

- Assistance to move PAPs to an appropriate accommodation with security of tenure. For example, a vulnerable household that has no other place of residence, will be assisted to move to a municipal social apartment, with a long-term contract to ensure security of tenure.
- Legal aid
- Assistance to obtain personal documents/passports where necessary, to help to access services available under national legislation
- Assistance to access social welfare
- Assistance to enrol children into school
- Assistance to access health care, etc.

8.1.9 Resettlement assistance should also include the provision of a moving allowance for household members and movable assets, or assistance to move them. Movable assets typically include furniture, equipment, personal belongings, etc. Resettlement assistance will be provided to those identified as needing it during a census and asset inventory survey. The MoE will cooperate with institutions and organisations that can provide further assistance, such as the municipal centre for social welfare or local organisations which work with vulnerable groups to assist them in accessing appropriate services.

8.2 Livelihood Restoration

8.2.1 Livelihood restoration measures will be considered in addition to the above measures, where a PDP either experiences a sustained 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.

8.2.2 It is not currently anticipated that the Project will have an impact on PDP livelihoods. Nonetheless, if livelihood impacts are recorded during the pre-construction surveys, the following actions will be undertaken:

- Identification of a person to handle issues related with livelihood restoration;
- Identification of assistance measures on a case-by-case basis, with the following process;
- Discussion on required assistance measures between the person identified above and the PDP;
- Review and confirmation by the RAP/LRP team;
- Implement assistance measures; and
- Monitor effectiveness.

8.2.3 A specific budget for assistance to livelihood restoration will be incorporated into the RAP/LRP budget. Measures will be identified on a case-by-case basis, but may include:

- Legal advice– provided to eligible persons regarding their entitlements.
- Additional support – identifying alternative lands or businesses, 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.

8.3 Vulnerable Groups

8.3.1 The identification of vulnerable people/groups during planning is sometimes a challenge, as not all vulnerabilities will be visible or relevant in the context of displacement or the Project. Direct engagement with the PDP, stakeholder meetings and surveys should be used to assess vulnerability. The general categories of vulnerability in the Project area have been identified in the ESIA and therefore should be used as a reference - the following key sub-groups of stakeholders were identified with respect to the Project; those who have a physical or mental disability; children living in harsh conditions; the elderly; individuals requiring care; orphan children; single parents with four or more children; and the homeless. Herders as a group are not considered vulnerable in the context of the Project, however individual herder households may be considered vulnerable if they meet the above criteria.

8.3.2 Additionally, vulnerability 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 (in the case of physical displacement), can be determined.

8.3.3 The following process should take place to support this:

- Identification of a person to handle issues related with vulnerable persons.
- Identification of assistance measures on a case-by-case basis, with the following process.
- Discussion on required assistance measures between the person identified above and the vulnerable person.
- Review and confirmation by the RAP/LRP team.
- Implement assistance measures; and
- Monitor effectiveness.

8.3.4 A specific budget for assistance to vulnerable persons will be incorporated into the RAP/LRP budget. 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 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. AO representatives) 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 receive and access compensation payments, etc.);
- Counselling in matters such as family, health, financial management, and livelihood restoration; and;
- Prioritization for training courses to enhance employability and prioritization for employment where possible.
- Where relevant (i.e. if resettlement is necessary), assistance for moving:
 - Relocation of 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:
 - Counselling in matters such as family, health, money management, and livelihood restoration,
 - Check that the solidarity networks that the vulnerable person was relying on have been re-established or take measures if they have not: food support, health monitoring, etc.;
 - Health care if required at critical periods; and
 - Post-resettlement follow up and where relevant, advice in livelihood restoration.

9 Disclosure of Information and Consultation

- 9.1.1 This LARF, together with other Project documents will be uploaded on the MoE website. Hard copies of the LARF, SEP, ESAP and Non-Technical Summary of the ESIA in Mongolian will be available at the soum level.
- 9.1.2 An electronic version of this LARF will also be available on the EBRD's website for a minimum of 120 days.
- 9.1.3 Public meetings will be held locally in line with the Stakeholder Engagement Plan (SEP) to disclose the ESIA, and this Framework-related information.
- 9.1.4 With respect to future consultation, the MoE/PIU will need to undertake stakeholder mapping and engagement with PDPs to meet the requirements of EBRD PR5 and PR10 throughout the resettlement process outlined below, where relevant based on the final design. In summary, engagement should be undertaken with PDPs:
- (i) During and following the assessment of impacts and PDP identification, and prior to and during the census survey and asset inventory of PDPs.
 - (ii) Throughout the compensation process, with PDPs 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.
 - (iii) 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.
- 9.1.5 A summary of the engagement activities undertaken in developing and implementing the RAP/LRP will be recorded, including how their views were accounted for in preparing and executing the RAP/LRP.
- 9.1.6 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 MoE offices in Ulaanbaatar. Any confidential information will be excluded from the disclosed document.

10 Grievance Mechanism

10.1 Introduction

- 10.1.1 A formal community *Grievance Mechanism* will be implemented to ensure that relevant parties (MoE/PIU/Contractors) are responsive to any concerns and complaints, particularly from affected people and communities; and to ensure that there is a central approach and record of grievances.
- 10.1.2 Special attention will be paid to the training of designated staff involved in the management of the Grievance Mechanism. This Grievance Mechanism covers non-employees (i.e. affected people and other relevant stakeholders such as local communities). A separate internal labour grievance procedure for Project employees/workers will be provided.

10.2 Ministry of Energy Grievances

- 10.2.1 The MoE does not have its own Grievance Policy, however, all government organizations have to comply with the Law on resolution of petitions and complaints from citizens to state authorities and public officials. MoE has a phone and email contact number and online submission of requests, suggestions and/or complaints vehicle, in addition to Government's central grievance centre: www.11-11.mn⁸ The MoE website specifies time frame for resolution of grievances (30 days, as per the law), names and office phone numbers of the relevant officers, and official spokesperson. The MoE also publishes annual reports on grievances⁹.

10.3 Grievance Mechanism

Purpose

- 10.3.1 The *Grievance Mechanism* describes the way the Project and community 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.

Goals

- 10.3.2 In addition to serving as a platform to resolve grievances, the *Grievance Mechanism* 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-

⁸ Available at <https://www.energy.gov.mn/app>.

⁹ Available at MoE website at <https://energy.gov.mn/c/1575>.

based violence and harassment;¹⁰

- 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 Project (Client and/or Construction Contractor) cooperating in the investigation, discussion, resolution and announcement of the grievance and result;
- To ensure fair, equitable and consistent outcomes to resolve grievances; and
- To enhance and continuously improve the ability of the Project to fairly address community concerns.

Scope

10.3.3 The *Grievance Mechanism* should be consistent with the requirements of EBRDs PR10 and Good International Practice (GIP) whilst respecting Mongolian laws and regulations. The *Grievance Mechanism* is primarily for the community and general public to raise relevant concerns about Project activities. The concerns raised should be a direct result of the Project's activities. The concerns must be raised by the person / people who are directly affected by the particular complaint with the Project's activities.

10.3.4 For this Project, the following is proposed:

- A project-specific grievance channel will be set up on the MoE website and managed by the MoE/PIU.
- The Construction Contractor will set up a grievance mechanism during construction. The local community will be able to log grievances directly with the Construction Contractor before the grievance is escalated, if applicable, to a judicial or other national process.
- The Construction Contractor will inform the PIU of any grievances, who will in turn inform the MoE.
- The PIU will be responsible for ensuring that the local government/officials are involved, where applicable and where necessary, a joint team can be set up to investigate the grievance.
- During O&M, grievances will be addressed by the NPTG and their existing website.

10.3.5 The *Grievance Mechanisms* will be accessible to all members of the community. In a situation where an affected person is not satisfied with the *Grievance Mechanism* decision, the Mongolian legal system can be approached for redress.

10.4 GRM Procedure – Steps

10.4.1 All grievances will be:

- Acknowledged within 5 working days of receipt, by the entity receiving the grievance;

¹⁰ 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.

- The Construction Contractor will inform the PIU within 24 hours;
- The PIU will advise the MoE within 2 days;
- The MoE/PIU or Construction Contractor (as agreed between parties as relevant to the grievance) will respond within no later than 10 working days of the Complaint Date; and
- The MoE/PIU 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.

10.4.2 During construction, specifically, nominated and trained members of the Construction Contractor staff will record grievance information in a grievance database and share this with the PIU. This will include:

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

Step 1: Register a Grievance

10.4.3 If a concern arises, the aggrieved person(s) can lodge grievances with the Construction Contractor Community Liaison Officer (CLO), verbally or in writing (letter, e-mail or on the Project Grievance Form (see **Appendix C**). Where the complaint is received first by the Construction Contractor CLO, the CLO will inform the PIU of the grievance within 24 hours.

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

MoE	PIU	Construction Contractor CLO
Attention:	Attention:	Attention:
Postal Address:	Postal Address:	Postal Address:
Tel:	Tel:	Tel:
Fax:	Fax:	Fax:
Email:	Email:	Email:
Website:	Website:	Website:

10.4.5 All complaints will be recorded at the point of contact on a Grievance Form (**Appendix C**). During construction, the Construction Contractor CLO will maintain a Central database of grievances (**Appendix D**) which will be shared with the PIU.

10.4.6 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 persons 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.

10.4.7 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.

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

Step 2: Grievance Investigation

- 10.4.9 Within five working days of receiving the Grievance, the Construction Contractor CLO 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.

- 10.4.10 The Construction Contractor, CLO, together as relevant with the MoE/PIU and local government administration, 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, including those of the Project proponent / Construction Contractor 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.

Step 3: Grievance Resolution

- 10.4.11 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 by the Construction Contractor CLO (and other representatives as seen relevant) 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 by the Construction Contractor CLO (and other representatives as seen relevant) with the aggrieved person and, if the aggrieved person agrees to the resolution, it will be documented on the grievance resolution form by the Construction Contractor CLO 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 Construction Contractor CLO 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 by the Construction Contractor CLO 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 by the Construction Contractor CLO to a mutually agreed upon third-party to mediate, evaluate and propose non-binding resolution of the grievance.
- (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 by the Construction Contractor CLO 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.

Acknowledgement of a Satisfactory Process

10.4.12 At the resolution stage of a grievance negotiation, the by the Construction Contractor CLO 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?

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

Processing Timeline

10.4.14 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.
- Aggrieved Person resolution satisfaction assessment - within 15 days of resolution closure.

10.5 Disclosure of the Grievance Procedure

10.5.1 The *Grievance Procedure* will be made public through:

- This SEP and a local poster;
- Local information boards (as applicable);
- Through community meetings;
- By informing the Khurals and Governors; and
- Regular reporting/awareness raising to the Community.

10.6 Managing and Tracking Grievances

10.6.1 The PIU will appoint a CLO to monitor delivery of the *Grievance Mechanism* during construction by the Construction Contractor. The Construction Contractor CLO will work closely with the PIU CLO.

10.6.2 The Construction Contractor will be expected to follow this *Grievance Mechanism*. The Construction Contractor CLO will maintain the Community Grievance Register and share this with the Client. All transactions including registration of the grievance and the progress to outcome will be recorded.

10.6.3 The Construction Contractor shall ensure that all construction workers are aware of the *Grievance Mechanism*.

10.6.4 The Construction Contractor shall not reach any direct agreements or resolution with the complainant(s) without prior coordination of such actions with the MoE/PIU CLO.

10.6.5 The PIU CLO will conduct regular audits on the Construction Contractor to ascertain compliance with this *Grievance Mechanism*.

11 Organisational Arrangements

11.1.1 The following key organisations and roles are relevant to the preparation of the Project RAP/LRP; Other service providers may also be involved, depending on the needs of affected PDPs and available assistance programmes:

Table 11-1 Key Roles and Responsibilities

Role	Responsibilities
MoE	The MoE has the overall responsibility for the development of a Project RAP/LRP that meets EBRD PR5. They will be supported in this task by the PIU.
PIU	A PIU exists within the MoE and it is intended that the same PIU will be used support the MoE in Project implementation to EBRD requirements. The PIU will assist in the MoE in implementation of the Project, including managing, implementing, and delivering the Project in line with all applicable legislative and regulatory requirements.
Specialist Consultant	The MoE/PIU may engage a consultant specialising in physical and economic displacement to undertake a detailed review prior to construction of the OHTL route to develop, as required, a RAP/LRP.
Independent Valuator	An Independent Valuator is required to undertake the valuation process. The Independent Valuator is responsible for undertaking an inventory of losses and valuating affected assets.
Independent Third Party	If required by the EBRD, to undertake or review and monitor implementation of the RAP/LRP in accordance with EBRD PR5 requirements.
Construction Contractor	The Construction Contractor will be commissioned by the MoE 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 MoE/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.



Appendix A **Summary of RAP/LRP Actions**

A summary of the actions to be undertaken for the RAP/LRP process is provided below. The MoE/PIU actions must be completed prior to construction on site. The Construction Contractor actions are only required if additional land is required temporarily that results in involuntary economic and/or physical displacement. As identified earlier in this document, if only economic displacement is anticipated following displacement impact assessment and verification then a LRP should be prepared. If any physical displacement is required, then a RAP together with, as necessary, a LRP should be prepared.

RAP/LRP Actions	Sub-action	Action required
Appoint LRP/RAP specialist	A suitably qualified person should be appointed for the purpose of reviewing the need for a RAP/LRP and, if required, developing and delivering the RAP/LRP.	MoE/PIU Consultant
Detailed design	Micro-siting actions to avoid and minimise displacement, including at temporary construction sites.	MoE/PIU Consultant/Construction Contractor
Identify and map displacement impacts and PDPs and inventory of assets	Assess the project's displacement impacts and identify PDPs in the field that will be affected by the Project, including temporary construction sites. Undertake asset inventory/survey of assets that may be affected as a result of the Project.	PIU Consultant or appointed external consultant plus any official representatives that are required to be present
Determine eligibility	Identify PDPs that are potentially eligible.	PIU Consultant or appointed external consultant
Stakeholder Engagement	Undertake consultation activities with PDPs.	PIU Consultant or appointed external consultant
Socio-economic survey and census	Undertake census and socio-economic survey of PDPs and census.	PIU Consultant or appointed external consultant plus any official representatives that are required to be present
Cut-off date	Disclose cut-off date.	PIU Consultant or appointed external consultant
Land allocation	Obtain decree allocating the land for the Project.	MoE with the local aimag.
Description of displaced people and assets	On the basis of the information collected above, identify (descriptive): Type of displacement (physical and/or economic) of PDPs Magnitude of expected loss of assets, extent off displacement	PIU Consultant or appointed external consultant

RAP/LRP Actions	Sub-action	Action required
	Standard characteristics of PDPs and their households Baseline information on livelihoods and incomes of PDPs Vulnerable groups	
PDP database	Establish a database of PDPs with information on all PDPs and assets affected.	PIU Consultant or appointed external consultant
Entitlements matrix	Develop the entitlements matrix relevant to the identified PDPs.	PIU Consultant or appointed external consultant
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. 	PIU Consultant or appointed external consultant MoE overview
	Undertake valuation for affected assets in accordance with this LARF and report in RAP/LRP the methodology used.	PIU Consultant or appointed external consultant MoE overview
	Agree measures with PDP and document where no amicable agreement can be reached.	PIU Consultant or appointed external consultant MoE overview
Physical displacement planning (not likely to be required but included as this is a framework document)	If Physical displacement (of property and people) is required this will be provided in-kind i.e. provision of a new residential property, business or building, identification of suitable sites.	PIU Consultant or appointed external consultant MoE overview
	Agreement with PDP.	PIU Consultant or appointed external consultant MoE overview
	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.	PIU Consultant or appointed external consultant

RAP/LRP Actions	Sub-action	Action required
Provide assistance to Vulnerable people	Identify additional measures required for vulnerable people.	PIU Consultant or appointed external consultant MoE overview
Livelihood restoration	Identify additional livelihood restoration measures required.	MoE / Aimag / Soum
Identify budget and implementation schedule	Identify all costs associated with the RAP/LRP implementation. Identify timeline and actions for implementation (disbursement of compensation packages).	PIU Consultant or appointed external consultant MoE overview
Prepare RAP/LRP report and disclosure	Prepare RAP/LRP.	PIU Consultant or appointed external consultant
	Disclose RAP/LRP.	PIU Consultant or appointed external consultant / MoE
RAP/LRP Implementation	Make sure monies are earmarked to implement the budget identified.	PIU Consultant / MoE
	Disburse compensation e.g., relocate asset / remove asset / provide cash compensation.	PIU Consultant or appointed external consultant / MoE
	For any resettlement, acquire site/property and cover payment and any legal responsibilities.	PIU Consultant or appointed external consultant / MoE
	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.	PIU Consultant or appointed external consultant
Grievance mechanism	Set up Grievance Redress Groups	PIU Consultant or appointed external consultant / MoE / Aimags / Soums
	Disclose Grievance Mechanism to PDPs.	PIU Consultant or appointed external consultant / MoE / Aimags / Soums

RAP/LRP Actions	Sub-action	Action required
	Maintain a central Grievance database to keep track of all grievances.	PIU Consultant or appointed external consultant / MoE / Aimags / Soums
	Record all grievances.	PIU Consultant or appointed external consultant / MoE
	Address compensation grievances.	PIU Consultant or appointed external consultant / MoE
Monitoring, evaluating and reporting	Develop centralised database.	PIU Consultant or appointed external consultant
	Documentation of all consultation and RAP/RLP activities.	PIU Consultant or appointed external consultant
	Generate periodic indicators.	PIU Consultant or appointed external consultant
	Develop and organise evaluation activities and reporting.	PIU Consultant or appointed external consultant MoE overview

Appendix B Outline Structure of a RAP/LRP

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 	<ul style="list-style-type: none"> 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: 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 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

		<ul style="list-style-type: none"> 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 MECHANISMS		<ul style="list-style-type: none"> This section describes mechanism to receive and facilitate the resolution of affected persons' concerns and grievances. It explains how the procedures are accessible to affected persons and gender sensitive.
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 C 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
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 D **Grievance Database Template**



Name/ Contact details	Method of Complaint (Direct to MoE/PIU, via Construction Contractor, via Bagh, or Soum):	Reference Number	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 MoE/PIU 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



Arcadis (UK) Limited

80 Fenchurch Street
London EC3M 4BY
United Kingdom

T: +44 (0)20 7812 2000

[arcadis.com](https://www.arcadis.com)