Mongolian Ministry of Energy
Ulaanbaatar Heating Sector Improvement Project

Draft
SOCIAL IMPACT ASSESSMENT
And
RESETTLEMENT PLAN

November 2019
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ABREVIATIONS

AH  Affected household
AP  Affected person
CHP3  Central Heating Plant 3
CPR  Common Property Resources
EA  Executing Agency
ESF  Environmental Social Framework
FGD  Focus Group Discussion
Ft  foot / feet (3.28 ft = 1 m)
GBV  Gender Based Violence
GRM  Grievance Redress Mechanism
Ha  Hectare
HH  Household
km  kilometer
MoE  Ministry of Energy
NGO  Non-Government Organization
PIU  Project Implementation Unit
PMO  Project Management Office
RP  Resettlement Plan
RPF  Resettlement Policy Framework
RoW  Right-of-Way
SEA  Sexual Exploitation and Abuse
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEP</td>
<td>Stakeholder Engagement Plan</td>
</tr>
<tr>
<td>SIA</td>
<td>Social Impact Assessment</td>
</tr>
<tr>
<td>Sft</td>
<td>Square feet</td>
</tr>
<tr>
<td>ToR</td>
<td>Terms of Reference</td>
</tr>
<tr>
<td>USD</td>
<td>United States Dollar</td>
</tr>
<tr>
<td>UBDHC</td>
<td>Ulaanbaatar District Heating Company</td>
</tr>
</tbody>
</table>
1. **INTRODUCTION**

This document is the Social Impact Assessment (SIA) Report for the proposed Ulaanbaatar Heating Sector Improvement Project (hereafter ‘the Project’). The World Bank (hereafter ‘the Bank’) is proposing to provide $41 million, an International Development Association credit to the Mongolian Ministry of Finance for the project. The implementing agency for the project is the Mongolian Ministry of Energy (MoE), who will work closely together with the Ulaanbaatar District Heating Company (UBDHC) responsible for heating transmission in the City.

This social impact assessment (SIA) describes the process of analysis and planning used by the Ministry of Energy and UBDHC to ensure the social impacts and risks of the project are identified, avoided, minimized, reduced or mitigated. This document has been prepared by MoE, with assistance from local technical specialists. The assessment was undertaken between September and November 2019.

Together with the Environmental and Social Management Plan (ESMP) and Stakeholder Engagement Plan (SEP); Environmental and Social Management Framework (ESMF), these documents will be the primary means of ensuring the project is environmentally and socially sound and sustainable. These documents will be used to inform MoE and UBDHC decision making related to the social risks and benefits of the project.

Despite the expectation of generally positive social impacts from the project, social risks and impacts may also arise, especially during the construction phase. No land acquisition is expected under project activities, however some displacement will occur, as such a Resettlement Plan has been prepared see Annex 1 and for infrastructure defined after project appraisal a Resettlement Policy Framework (RP) has been prepared which sits within the ESMF.

Contained in this report is a description of the Project, the methodology applied for the social impact assessment, the findings from data collection, proposed mitigation measures and a Resettlement Plan (RP) is in the Annex.

1.2 **PROJECT DESCRIPTION**

The Project Development Objective is to enable access to and improve efficiency of the district heating (DH) network in selected project areas. The project will be located in the capital city Ulaanbaatar. The project has two components as described below.

Component 1: Investments in rehabilitation and expansion of District Heating network. This component will support the preparation and implementation of a priority investment program for the DH system operated by UBDHC, it has three infrastructure related subcomponents as follows.

- **Subcomponent 1.1.** Rehabilitation and upgrading of the District Heating network in selected urban areas. This subcomponent will support: (i) Replacement of existing DN800 pipeline from TK-501 to TK-521 with DN1000 (2.8km trench length); and (ii) Replacement of existing 2xDN400+1xDN600 with new DN800 pipeline from TK-521 to north (1.4km trench length).

- **Subcomponent 1.2.** Expansion of the District Heating network into selected ger areas. The Subcomponent will extend the heating transmission pipelines (1,810 m trench length) using modern pre-insulated pipes into new areas (DN50 – DN200) that are undergoing large-scale redevelopment, to provide better access to services for ger areas residents and to combat high pollution levels.
Subcomponent 1.3. Modernization of the District Heating network. This subcomponent will support the modernization of UBDHC’s DH pumping stations, including the replacement of select pumps with smart boost pumps. The planned booster pump station will complement the ongoing upgrading of the transmission line from CHP 3 to add capacity to connect more customers.

Component 2: Capacity strengthening and project implementation support. This component will finance activities aimed at support policy and institutional reforms in the medium to long term and strengthening UBDHC’ technical, operational, fiduciary, customer orientation and corporate resource management functions, and ensuring effective Project implementation.

In terms of infrastructure locations, prior to project appraisal (anticipated in late December 2019) only the location of sub-component 1.1. has been confirmed. This component will rehabilitate 4.2km of heating transmission pipeline in central Ulaanbaatar, from Central Heating Plan 3 (CHP3) towards the centre of the city, as shown in figure 1.

Figure 1 Subcomponent 1.1 District Heating Transmission Refurbishment Location in Ulaanbaatar (4.2km)

Sub-component 1.1 will include upgrading and in some locations burying the transmission line (currently above ground or raised) in many locations (see Figure 1). Construction activities will take place over a 5-6 month summer period, with removal of the existing pipe in sections, trenching and laying of the new pipeline. Materials will likely be supplied internationally, with a local company anticipated to be engaged for the construction work. An estimate of between 50-100 workers would be needed at peak construction; all will be locally based. The transmission line has a 10-meter (5 meter either side) safety Right of Way (ROW), a small number of structures have been illegally built in this ROW. The owners are stakeholders discussed herein, please also refer to the project Social Impact Assessment (SIA) Resettlement Plan appendix for more details about these structures.

Sub-component 1.2 Expansion of the District Heating network into a near-urban ger area has not been defined at the time of project appraisal. Engineering, social, financial and other considerations will be used to determine the most appropriate location and alignment for an expansion. Upgrades under sub-component 1.1, will allow greater capacity in the system and therefore the ability to extend the heating transmission network by 1,810 m trench length. Preliminary engineering information suggests that upgrading of the 5a/3G pipelines (sub-component 1.1) would only allow for expansion in the following ger areas Denjin 1000, Gandan (Chingeltei District) or the 7th Khorooloo (Sukhbatar districts 9,10,11), see figure 2. Please see section 3 on urban planning in ger areas for more details.
2. METHODOLOGY

This section outlines the methodology applied for the social impact assessment, undertaken between September 2019 to November 2019, by the borrower and local technical specialists. Wherever possible the assessment includes current information and social baseline data at an appropriate level of detail sufficient to inform characterization and identification of risks and impacts and mitigation measures. Both secondary data (statistics and studies) and primary data (key informant interviews and consultations) was used in the assessment.

2.1 ASSESSMENT OBJECTIVES & REGULATORY FRAMEWORK

The World Bank is proposing to provide financing for the project and as such environmental and social assessments and other planning documentation are needed for the project to meet the requirements of the World Bank’s Environmental and Social Framework (ESF) effective October 1, 2018. ESS1, the Assessment and management of environmental and social risks and impacts during the ESF, requires an environmental and social impact assessment (ESIA) to identify and assess the potential environmental and social impacts of a proposed project, evaluate alternatives, and design appropriate mitigation, management, and monitoring measures.
This social impact assessment (SIA) forms part of ESS1 requirement, it describes the process of analysis and planning used by Ministry of Energy and UBDHC to ensure the social impacts and risks of the project are identified, avoided, minimized, reduced or mitigated is required.

In Mongolia, environmental impact assessment is guided by the Law on Environmental Impact Assessment (2012) which is administered by the Ministry of Environment and Tourism (MET). The EIA protocol for all project interventions is two tiered defined initially by a general EIA (GEIA) - initial screening, followed by either a full detailed EIA (DEIA) or an Environmental Management Plan (EMP). There are no specific requirements to conduct a project SIA, or any methodology requiring assessment or mitigation of social impacts. The Law on Urban Development (2015, Article 17 and 18) states participatory planning shall be adopted in urban development planning and consultation with citizens shall be conducted in the course of implementation of urban planning. Decisions pertinent to urban development shall be disseminated and disclosed to the public in timely manner. Utility disruptions are required to be disclosed to residents and entities 24 hours prior to disruptions. The regulatory framework for displacement impacts is presented in the RP and RPF and the framework for consultations under the Project stakeholder engagement plan.

Given there are no specific SIA requirements under law, the ESS1 requirements form the basis for the assessment contained herein. Together with the Environmental and Social Management Plan (ESMP) and Stakeholder Engagement Plan (SEP); Environmental and Social Management Framework (ESMF) with a Resettlement Policy Framework, these documents will be the primary means of ensuring the project is environmentally and socially sound and sustainable. These documents will be used to inform MoE and UBDHC decision making related to the social risks and benefits of the project.

This SIA, addresses social impacts for the entire project, however additional work may be required for sub-component 1.2 once the location is defined, this is outlined in the ESMF. Table 1, displays the environmental and social documentation prepared for the project.

<table>
<thead>
<tr>
<th>Table 1. Environmental and Social Documentation for the Project</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Document</strong></td>
</tr>
<tr>
<td><strong>SEP</strong></td>
</tr>
<tr>
<td><strong>ESMP</strong></td>
</tr>
<tr>
<td><strong>RP</strong></td>
</tr>
<tr>
<td><strong>LMP</strong></td>
</tr>
<tr>
<td><strong>SIA</strong></td>
</tr>
<tr>
<td><strong>ESMF</strong></td>
</tr>
<tr>
<td><strong>RPF</strong></td>
</tr>
</tbody>
</table>

Despite the expectation of generally positive social impacts, social risks and impacts may arise. In identifying opportunities to socially target the project so as to achieve an inclusive development outcome, the social impact assessment also considers incomes and wellbeing as well as other drivers of vulnerability such as gender differentials and disabilities etc. Issues during implementation such as labor standards, displacement and community health and safety are also incorporated into the social impact assessment.

2.2 GEOGRAPHIC SCOPE OF ASSESSMENT

The geographic scope of the social impact assessment covers following project target areas:
Sub-components 1.1 & 1.3 the refurbishment pipeline (and pump modernization) goes from Central Heating Plant (CHP3) through Bayangol District (Khoroo 1 and 3) and Khan-Uul District (khoroo 1 & 12) in Ulaanbaatar; with an estimated population of 13,739 households. Refurbishments to the network will bring benefits to a wider population including Bayangol District (Khoroo 11); Sukhbaatar District (Khoroo 9, 10, 11, 12) and Chingltei District (Khoroo 7, 8, 9, 10, 11). Roughly an additional 21,025 households from these 10 khoroo of 3 districts will benefit from improved reliability and quality of heating services from project interventions under sub-component 1.1. Total estimated beneficiaries are 34,764 households.

Sub-component 1.2 target area is not as yet confirmed, but the heating transmission extension will be approximately 1.8km in a near-urban ger area. Preliminary engineering information suggests that upgrading of the 5a/3G pipelines (sub-component 1.1) would allow for expansion in one of the following ger areas Denjin 1000 (Chingeltei district) Gandan (Bayangol District) or the 7th Khoroolo (Sukhbatar districts 9,10,11). Wherever possible, information in this SIA has attempted to provide focused data on these areas. See Figure 02 and Figure 03 below for the overall division of districts in Ulaanbaatar.
Component 2, no social impacts or risks are anticipated under component 2, which focuses on capacity building and project management for the agencies involved in the project.

2.3 SECONDARY DATA COLLECTION

Data was collected from a range of statistical sources, namely from the National Statistics Office, District Administration, European Bank for Reconstruction Development (EBRD), Asian Development Bank, Ministry of Energy and Ministry of Environment. The latest census in Mongolia was conducted in 2018. Secondary data at the Khoroo level was not always available, as such District or Ulaanbaatar wide information has been presented in these instances.

2.4 PRIMARY DATA COLLECTION

For understanding of urban development priorities and the current planning, key informant interviews (and consultations) were undertaken by the working group and UB City, Ministry of Energy, Asian Development Bank, Ministry of Environment, CHP-3 and individual or business owners whose business locations are within in the 5 meters zone of the project construction area. These were conducted between September and November 2019.
This section presents socio-economic baseline information for both the upgrading and potential expansion locations. Wherever possible data has been narrowed to khoroo level.

3.1 POPULATION AND HOUSING:

Mongolia is one of the most sparsely populated countries in the world, as of 2017 with a population of 3,177,899 with an average growth rate of 1.9%. Approximately 67.5% (2,146,716) of the total population lives in cities, out of which about 68% (1,462,973) is in the capital Ulaanbaatar. Population density in rural areas thus averages 0.5 inhabitants per square kilometer, which reflects also the dominance of mobile pastoralism as the main rural livelihood throughout the country. Migration from rural areas to urban areas is increasing over the last decade. The average population migrating in the past 10 years is estimated at around 20,000 per year which has put great pressure on the capital of Ulaanbaatar. At present Ulaanbaatar accounts for 40% of the total population of Mongolia. The projected urban population of 2030 is 1.87 million or 1.7 times larger than the population in 2008. The majority of the Mongolian population is Khalkh Mongols and the capital of Ulaanbaatar is homogenous.

In the project areas, Table 2 below describes population information, per National Statistics Office (NSO) source 2018.

Table 2. Sub-Component 1.1 Demographic statistics of the construction and beneficiary area

<table>
<thead>
<tr>
<th>No</th>
<th>District</th>
<th>Khoroo</th>
<th>Territory size</th>
<th>Number of apartments</th>
<th>Population</th>
<th>Male</th>
<th>Female</th>
<th>Number of households</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Construction area for refurbishment (sub-component 1.1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bayangol district</td>
<td>1</td>
<td>99.4 ha</td>
<td>76</td>
<td>16858</td>
<td>8260</td>
<td>8598</td>
<td>5185</td>
</tr>
<tr>
<td>2</td>
<td>3</td>
<td></td>
<td>107.9 ha</td>
<td>63 public and private apartments</td>
<td>8594</td>
<td>4221</td>
<td>4383</td>
<td>2190</td>
</tr>
<tr>
<td>3</td>
<td>Khan-Uul district</td>
<td>3</td>
<td>373 ha</td>
<td>88</td>
<td>16905</td>
<td>8115</td>
<td>8790</td>
<td>4674</td>
</tr>
<tr>
<td>4</td>
<td>Khan-Uul district</td>
<td>12</td>
<td>5953.1 ha</td>
<td>234 public and private sector</td>
<td>5924</td>
<td>2944</td>
<td>2980</td>
<td>1690</td>
</tr>
<tr>
<td></td>
<td>Locations benefiting from Project (1.1 sub-component) improvements to the network</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>9</td>
<td>28</td>
<td>8085</td>
<td>3098</td>
<td>4066</td>
<td>1700</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td>10</td>
<td>30.42 ha</td>
<td>59 apartments</td>
<td>9064</td>
<td>4622</td>
<td>4442</td>
<td>2096</td>
</tr>
<tr>
<td>7</td>
<td>Sukhbaatar district</td>
<td>11</td>
<td>87.53 ha</td>
<td>45</td>
<td>3683 in 1992</td>
<td>8719 in 2014</td>
<td>9127 in 2018</td>
<td>4381</td>
</tr>
<tr>
<td>8</td>
<td></td>
<td>12</td>
<td>73 ha</td>
<td>0</td>
<td>8353</td>
<td>4092</td>
<td>4260</td>
<td>2263</td>
</tr>
<tr>
<td>9</td>
<td>Bayangol district</td>
<td>11</td>
<td>92 ha</td>
<td>17</td>
<td>6791</td>
<td>3327</td>
<td>3763</td>
<td>1862</td>
</tr>
<tr>
<td>10</td>
<td>Chingeltei district</td>
<td>7</td>
<td>47.2 ha</td>
<td>0</td>
<td>12827</td>
<td>6285</td>
<td>6542</td>
<td>3369</td>
</tr>
<tr>
<td>11</td>
<td></td>
<td>8</td>
<td>45 ha</td>
<td>2</td>
<td>7890</td>
<td>3866</td>
<td>4024</td>
<td>2540</td>
</tr>
</tbody>
</table>
Sub-component 1.2 will potentially expand the district heating network by 1.8km, into a near urban ger area. As mentioned, this could include one of the near-urban ger areas such as Denjin 1000 (Bayangol district), Gandan (Chingeltei District) or the 7th Khoroolol (Sukhbatar districts 9,10,11) are the most probable. Population statistics for these districts are presented in table 3, below however it should be noted that these districts are very large and any expansion would only be within a much smaller (khoroo level) portion of the district.

**Table 03** Sub-Component 1.2 Near Urban Ger Area Population Statistics

<table>
<thead>
<tr>
<th>Ulaanbatar Districts</th>
<th>Total number of Households</th>
<th>Total number of Populations</th>
<th>Total number of Women</th>
<th>Total Number of Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chingeltei</td>
<td>40,017</td>
<td>157,258</td>
<td>80,779</td>
<td>76,479</td>
</tr>
<tr>
<td>Sukhbaatar</td>
<td>38,563</td>
<td>145,335</td>
<td>75,325</td>
<td>70,010</td>
</tr>
<tr>
<td>Khan-Uul</td>
<td>48,940</td>
<td>178,919</td>
<td>93,462</td>
<td>85,457</td>
</tr>
<tr>
<td>Bayanzurkh</td>
<td>95,714</td>
<td>343,619</td>
<td>177,256</td>
<td>166,363</td>
</tr>
<tr>
<td>Bayangol</td>
<td>59,536</td>
<td>226,869</td>
<td>120,137</td>
<td>106,732</td>
</tr>
<tr>
<td>Songinokhairkhan</td>
<td>387,453</td>
<td>1,444,669</td>
<td>746,026</td>
<td>698,643</td>
</tr>
</tbody>
</table>

Similarly for sub-component 1.2, the following Table 04 shows number of residents living in the Ger areas and the type of shelter they are living in the project districts. As can be seen, there are considerably less residents living in high rise apartments, rather most live in Mongolian Gers (traditional Yurt housing) or small house structures, usually made from wood or brick.

**Table 04** Sub-component 1.2 - Districts of Ulaanbaatar and Type of Shelter

<table>
<thead>
<tr>
<th>District</th>
<th>Apartment</th>
<th>Houses</th>
<th>Mongolian Yurt</th>
<th>Homeless</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chingeltei</td>
<td>315</td>
<td>19477</td>
<td>12304</td>
<td>114</td>
</tr>
<tr>
<td>Sukhbaatar</td>
<td>305</td>
<td>10487</td>
<td>9081</td>
<td>3</td>
</tr>
<tr>
<td>Bayangol</td>
<td>234</td>
<td>6164</td>
<td>5736</td>
<td>2</td>
</tr>
<tr>
<td>Khan-Uul</td>
<td>418</td>
<td>11453</td>
<td>9805</td>
<td>16</td>
</tr>
</tbody>
</table>

Source: UB statistics 2016

Data from 2019 (table 05), presents the population of Ulaanbatar living in ger areas versus houses and apartments in each district. A total of 206,446 households were living in ger districts, much more than the 171,166 households were living in apartment areas (NSO 2019).

**Table 05** Districts of Ulaanbatar, Ger Areas and Type of Housing 2019
This section provides baseline information on employment levels as relevant to the project areas. The labor force in Ulaanbaatar city is 16.7% which is about 555,000 jobs. Unemployment level of the Ulaanbaatar city stands at 7.6% per 2018 data. The following table 06 shows the statistics of unemployment of the project target districts for both the rehabilitation and expansion components of the project (source NSO 2019).

Table 06 Unemployment in Ulaanbaatar

<table>
<thead>
<tr>
<th>No</th>
<th>Districts</th>
<th>Overall unemployment level</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ulaanbaatar</td>
<td>7.6</td>
<td>9</td>
<td>5.9</td>
</tr>
<tr>
<td>2</td>
<td>Khan-Uul</td>
<td>6.7</td>
<td>8.8</td>
<td>4.4</td>
</tr>
<tr>
<td>3</td>
<td>Bayangol</td>
<td>5.1</td>
<td>6</td>
<td>3.9</td>
</tr>
<tr>
<td>4</td>
<td>Sukhbaatar</td>
<td>5.8</td>
<td>7.5</td>
<td>4.1</td>
</tr>
<tr>
<td>5</td>
<td>Chingltei</td>
<td>4.4</td>
<td>6</td>
<td>4.3</td>
</tr>
</tbody>
</table>

Regarding the average salary in Ulaanbaatar, it was 1,119,700MNT in 2018 which increased to 1,282,600MNT by the second quarter of 2019. The average salary is about 10% higher than the national average salary which stands at 1,002,900MNT.

Unemployment is a particularly difficult problem in both the urban and rural areas. There are about 105,000 people unemployed. Unfortunately, of which 56% are people aged between 18-35 (Nomads in the Digital Age, 2019). 2018 statistics (NSO 2018) suggest, that the rural poor 35 % of the very poor and 14 % of the poor were unemployed. Among the urban poor, the situation was even worse with 55 % of the very poor and 34 % of the poor being unemployed.

Mongolia’s statistics show that women’s labor force participation has been declining since 2006 to fall from 64.8% to 53.4% in 2018. This indicates that the economic crisis has had a greater impact on women’s employment particularly, women’s workforce participation has been affected in the urban areas, namely in the capital city (44.8%) as compared with that of rural women (60.5%) in 2018 (ADB 2018). While workforce participation of women and men aged 15 and above has grown by 27% since 2005, women’s participation suffered a steep 9%
drop in 2008 and 2009. The number of men in salaried employment saw a steady, if somewhat incremental increase over the past 13 years. According to NSO, Mongolian women earn 19.6% less salary than men in same positions as of 2019. Also, women are often engaged in lower paid professions and irrespective of their individual competencies, women tend to occupy lower ranks than men in the job hierarchy both in the public and private sectors. In addition, women are engaged in household and care duties twice more than men which result in worse economic outcome from them.

3.3 EDUCATION

This section looks at the education profile of project areas. The educational system of Mongolia is composed of nursery, kindergarten, primary school, secondary school and university facilities. Primary and compulsory secondary schooling was extended to grade 11 in 2009. In Mongolia, the school year begins in September. Among the Mongolian population aged 10 and above the percentage of people with at least primary education is 92.5% (2010), with an increase of 4.6% compared to 2000 [ADB 2019]. The percentage of males with higher education has increased twice between the two censuses, whereas the same figure has increased 2.8 times among females. Literacy level among population aged 15 and above is 98.3%, which has increased by 0.5% since 2000 until 2018 [ADB 2019].

Regarding middle and high schools in the project districts, there are 44,875 students studying in 45 schools in Bayangol, 37,737 students in 46 schools in Sukhbaatar, 30,922 students in 39 schools in Khan-Uul and 26,785 pupils in 25 schools in Chingeltei district respectively (NSO 2018). However, in the areas where heating expansion may be possible (Denjin 1000, Gandan (Chingeltei District) or the 7th Khorooloo (Sukhbaatar districts 9,10,11) there are no existing schools (student residents go to other areas); although a number of schools and kindergardens are planned, see the section on urban development in this document.

There is a gender disparity at colleges and universities of Mongolia as well as in professional orientation. In 2016 the gross enrolment ratio of female and male students was 1.4, which was higher than in the industrialized countries that promote higher education for women. Although this abnormality is being associated with the importance given by parents to girl’s education, it is actually linked to the growing number of higher educational institutions and the overriding interest to provide training in business and law, social and humanitarian disciplines that are not only cheap but also attract a high rate of enrolment.

3.4 POVERTY

The Mongolian Statistical Yearbook 2009 provides background data on poverty levels within the City. The Poverty Headcount Index is a widely used poverty measure, giving the percentage of the population whose consumption is below the poverty line. For Ulaanbaatar, this rate is 36.7% in 2009, which compares to 38.7% nationally. This increases to over 49% in rural areas, showing that relatively speaking, Ulaanbaatar is generally considered wealthier than rural areas. This translates to an average household income of nearly 455,000 MNT per month in urban areas, and 332,000 MNT in rural areas. Additional poverty statistics at the national and Ulaanbaatar levels is provided in table 07 below.

Table 07. National and Ulaanbaatar Poverty Level.

<table>
<thead>
<tr>
<th></th>
<th>National</th>
<th>Ulaanbaatar</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poverty headcount$^1$</td>
<td>29.6</td>
<td>24.8</td>
</tr>
<tr>
<td>----------------------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td>Poverty gap$^2$</td>
<td>7.7</td>
<td>6.4</td>
</tr>
<tr>
<td>Severity$^3$</td>
<td>2.9</td>
<td>2.5</td>
</tr>
<tr>
<td>Population share (%)</td>
<td>100.0</td>
<td>45.2</td>
</tr>
<tr>
<td>Population ('000)</td>
<td>3063.6</td>
<td>1380.4</td>
</tr>
<tr>
<td>Share in poor (%)</td>
<td>100.0</td>
<td>37.8</td>
</tr>
<tr>
<td>Poor ('000)</td>
<td>7.5</td>
<td>343.1</td>
</tr>
<tr>
<td>Household size</td>
<td>3.5</td>
<td>3.6</td>
</tr>
<tr>
<td>Dependency ratio (%)</td>
<td>41.7</td>
<td>41.4</td>
</tr>
<tr>
<td>Children (% HH size)</td>
<td>25.5</td>
<td>26.0</td>
</tr>
<tr>
<td>Age of household head</td>
<td>45.7</td>
<td>45.5</td>
</tr>
<tr>
<td>Male-headed HH</td>
<td>75.2</td>
<td>72.5</td>
</tr>
<tr>
<td>Urbanization (%)</td>
<td>67.8</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: NSO, 2018

Poverty is also higher in rural areas than in urban areas. The analysis of the first Living Standard Measurement Survey (LSMS) in 1996 provided a profile of the poor and identified the most vulnerable groups in the country. More than 800,000 people or 36% of the population were reported as poor. The assessment showed that female-headed households had a higher incidence of poverty as do unemployed and rural households owning less than 15 animals.

Urban poverty is marginally higher than rural poverty particularly in provincial capitals that have been hard hit by the closing of state enterprises. These observations are most probably still valid, although no new data exists. Income comes from different sources and varies according to location as shown in Table 08.

### Table 08: Household monthly average income, by source and distribution (MNT)

<table>
<thead>
<tr>
<th></th>
<th>National average</th>
<th>Capital city</th>
<th>Aimag center</th>
<th>Soum center</th>
<th>Rural area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monetary income</td>
<td>1,147,486</td>
<td>1,316,847</td>
<td>1,131,812</td>
<td>1,032,265</td>
<td>855,078</td>
</tr>
<tr>
<td>Wages and salary</td>
<td>615,344</td>
<td>848,483</td>
<td>627,899</td>
<td>525,670</td>
<td>89,598</td>
</tr>
<tr>
<td>Pension &amp; allowance</td>
<td>216,293</td>
<td>228,141</td>
<td>233,380</td>
<td>216,325</td>
<td>89,598</td>
</tr>
<tr>
<td>Other income</td>
<td>112,803</td>
<td>133,628</td>
<td>122,844</td>
<td>121,544</td>
<td>162,457</td>
</tr>
<tr>
<td>Received free of charge from others</td>
<td>65,520</td>
<td>73,357</td>
<td>63,337</td>
<td>59,983</td>
<td>54,167</td>
</tr>
<tr>
<td>Food products</td>
<td>47,161</td>
<td>2,213</td>
<td>13,036</td>
<td>63,448</td>
<td>191,943</td>
</tr>
<tr>
<td>Total income</td>
<td>1,260,167</td>
<td>1,392,417</td>
<td>1,208,185</td>
<td>1,155,696</td>
<td>1,101,188</td>
</tr>
</tbody>
</table>

Source: National Statistics Office of Mongolia 2019

---

$^1$ Poverty headcount is the share of the population whose consumption is below the poverty line.

$^2$ Poverty gap is the average consumption shortfall of the population relative to the poverty line.

$^3$ Severity is the distribution of the consumption among the poor population.
Private transfers by family members living in the capital or abroad provide a significant source of income in poor households accounting for nearly 20% of total income. Without these private transfers the poverty rate would increase to 46% of the population. Unemployment is a particularly difficult problem in both the urban and rural areas. Among the rural poor 35% of the very poor and 14% of the poor were unemployed. Among the urban poor, the situation was even worse with 55% of the very poor and 34% of the poor being unemployed.

Table 09 Poverty level of Ulaanbaatar 2018

<table>
<thead>
<tr>
<th>Indicators of poverty</th>
<th>Region</th>
<th>2018 (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty area</td>
<td>Ulaanbaatar</td>
<td>25.9</td>
</tr>
<tr>
<td>Poverty depth</td>
<td>Ulaanbaatar</td>
<td>6.7</td>
</tr>
<tr>
<td>Poverty feeling</td>
<td>Ulaanbaatar</td>
<td>2.6</td>
</tr>
</tbody>
</table>

Source: NSO 2018

As can be seen in Figure 04 below, as of 2018, poverty in the potential expansion area was higher in Chingleti District (24.6%) compared with Sukhbaatar district which was slightly lower at (19.5%). For the upgrading areas, which are mostly urban, Bayangol district poverty is the lowest among UB districts at 11.4%, Khaan-Ull was higher at 24.6% but we would note that Khaan-Ull is a very large area of which only part of the district has apartment buildings.
3.5 GENDER AND VULNERABILITY

Vulnerable Groups are persons who may be disproportionately impacted or further disadvantaged by the project(s) as compared with any other groups due to their vulnerable status, and that may require special engagement efforts to ensure their equal representation in the consultation and decision-making process associated with the project(s). Vulnerable status may stem from an individual’s or group’s race, national, ethnic or social origin, color, gender, language, religion, political or other opinion, property, age, culture, literacy, sickness, physical or mental disability, poverty or economic disadvantage, and dependence on unique natural resources.

In the 20 years that Mongolia has lived through a transition to market economy, her economy has grown 20 times and the GDP per capita in 2016 was 8.4 times that of 2000 (ADB 2019). In 2005, the year ADB undertook its Country Gender Assessment, the economic growth rate showed 7.3% and the long-term vision of a development generated by the fruits of mining was optimistic. It was in 2011, the peak year of Mongolia’s economic growth, the Law on the Promotion of Gender Equality was passed, with its Article 5 defining the principle of gender equality as “men and women shall have opportunities and conditions to enjoy and to equally participate in political, economic, social, cultural, family and other relations, and to equally participate in social life and equally access the benefits of development and social wealth.”

Mongolia’s statistics show that women’s labor force participation has been declining since 2006 to fall from 64.8% to 53.4% in 2018. This indicates that the economic crisis has had a greater impact on women’s employment particularly, women’s workforce participation have been affected in the urban areas, namely in the capital city (44.8%) as compared with that of rural women (60.5%) in 2018 (ADB 2018).

According to the World Economic Forum assessment, as of 2018, women prevail among professional and technical workers with a ratio of 1.82. With regard to managerial posts, women have made some progress and account for
38.9% as against the 35% in 2005. But the fact that they still make up a minority group among executives in the traditionally female-dominated fields such as education and health, testifies to the persisting vertical gender segregation in the labor market.

Statistics show that unemployment among young women is to be primarily attributed to childbirth and childcare, following which they again join workforce at approximately 35 years of age. The number of women who become economically inactive owing to the need to take care of their children, grew in the period of 2012-2016 which coincides with a sharp increase in birth rates since 2005. However, the limited availability of childcare services leaves no other choice for young women except as to look after their children up to and often beyond the early school age, which results in a widespread phenomenon of prolonged female career disruptions. This calls for a heightened attention to the issues of improving social protection for young women engaged in childcare and creating opportunities for them to catch up at work after the rather long breaks.

According to the Ministry of Labor and Social Protection of Mongolia, there are 34,246 people with disabilities in Ulaanbaatar. Of which 3,617 are children between the age of 0-14, 830 are 15-17 years old and 29,799 people are 18 and above.

Table 10  Disability by Region of Mongolia 2018

<table>
<thead>
<tr>
<th>Region of Mongolia</th>
<th>Number of Disability persons in regions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nation of Mongolia</td>
<td>105,730</td>
</tr>
<tr>
<td>West region</td>
<td>17,848</td>
</tr>
<tr>
<td>North region</td>
<td>22,935</td>
</tr>
<tr>
<td>Central region</td>
<td>19,227</td>
</tr>
<tr>
<td>East region</td>
<td>10,131</td>
</tr>
</tbody>
</table>

Ulaanbaatar is an ethnically homogenous city, with no clusters of ethnic minorities. Literacy is also very high, as mentioned the national population aged 15 is 98.3%, literacy. Health issues, especially in ger areas tends to be communicable diseases such as tuberculosis, although significant programs by NGOs and the Ministry of Health have worked to curb its incidence over the last decade. Life expectancy at birth is 66.74, life expectancy in average is 69.29 years and under-five mortality rate, deaths per 1,000 lives is 17 (WHO 2016). Access to health services is also reasonably high as a result of the state hospitals from the soviet era.

3.6  URBAN PLANNING IN NEAR URBAN GER AREAS

This section considers the urban development context of Ulaanbaatar, namely the near-urban ger areas and incorporates the results of key informant interviews with urban planning professionals as well as the projects planned or underway by other investors, such as ADB, EBRD and the Government of China. Primary data was collected in order to understand current district heating expansion priorities and challenges.

Ulaanbaatar (UB) is undergoing large-scale redevelopment to provide better housing and access to services for ger areas residents and to combat high pollution levels, guided by the National Development Strategy and Ulaanbaatar City Urban Development Master Plan 2020 and Development Directions 2030. Under the plan, city authorities have designated 25 locations in ger areas to build new apartment complexes, comprising 76 blocks.
across eight districts and covering approximately 1,500 hectares (ha.) across 16,317 sites. This represents 14% of UB’s territory and approximately 9% of the city’s population.\(^4\)

The ger areas redevelopment agenda is led by the Capital City Governor’s Office, implemented by the Ger Area Infrastructure Agency (GAIA)\(^5\) under the Mayor’s Office, and overseen by the UB City Council. At the national level, the Ministry of Construction and Urban Development (MCUD) plays a monitoring role to ensure the redevelopment process complies with the laws and procedures.

The redevelopment formula under the plan is that the ger residents contribute their land, the city government provides the financing of infrastructure, and private developers with sufficient financial and technical capacity, are selected by the city to implement the project through competitive selection process. The project executor must sign a bilateral agreement with the residents regarding resettlement and compensation, then a tripartite agreement with city officials.\(^6\) Thereafter, implementation begins.

The redevelopment is proceeding gradually, and the full plan will be implemented over the next decade. While some projects are proceeding smoothly, some are behind schedule due to various issues such as delays in funding and land acquisition, and the quality of the developments. To move forward with these projects, the city has cancelled contracts with companies that failed to meet their obligations, and extended contracts with the high performing companies.

The pace of providing heating services to the newly developed areas varies. The municipality has conducted feasibility studies and prepared the design of engineering works. Under the Master Plan, the provision of heating infrastructure will be provided through a combination of the central district heating system and coal-fired heat-only boiler (HoBs). But in recent years, the government has been making tremendous efforts to tackle air pollution, including banning the use of coal-fired HoBs. The areas in need of connections to the primary pipes from their group substations and secondary pipes should request connections from the transmission company: Ulaanbaatar District Heating Company (UBDHC), which will require extension of primary pipes into the ger areas by UBDHC.

One proposed investment activity is to support the expansion of transmission network into selected areas, in line with the on-going redevelopment agenda. Locations brought forward for financing will be considered based on several criteria on technical, economic, financial, environmental and social aspects, which are to be agreed with the government.

From an engineering perspective, upgrading of 5a/3G pipelines (sub-component 1.1) would only allow for expansion in one location, in either Denjin 1000 (Bayangol district), Gandan (Chingeltei district) or the 7th Khorooloo (Sukhbatar Khoroo 9,10,11).

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\(^4\) The sites are selected by the government based on a number of key parameters and feasibilities studies conducted by the city.
\(^5\) GAIA is formerly known as Ger Area Development Agency
\(^6\) According to Article 14.7.1.d of the Redevelopment Law, the developer must get no less than 80% of landowners and possessors to sign a bilateral agreement within 30-60 days. However, Article 4.5.3 of the Ger Area Operational Procedures requires no less than 75% support to be obtained.
Key informant interviews with UB City (Urban Dev Dept and Ger Area Development Program) in November 2019, provided inputs on those areas they saw as the most ready or lacking investment. The most ‘ready’ location was Bayangol district, 10, 11, 12th Khorroos, with 1 high rise apartment commissioned and 2 more under construction; plans have been approved for 1 school (960 student capacity) and one kindergarten (320 student capacity) at this location; the location is also a priority for air pollution management. Unfortunately this location is beyond the scope of the project, as any extension would be supplied by CHP4 and the project is working with an extension to CHP3.

Sukhbatar District, namely Khoroo 9 has recently been identified for investment in urban development. A financing agreement (grant) was signed between the Government of Mongolia and the Government of China to develop high rise apartments and all the necessary infrastructure (i.e. including utilities), however the investment has not yet begun. It is unclear if the utility investment would include connection to the district heating network or if boiler houses (or other heating mechanisms) would be developed under the investment. There are some challenges with this area given there is considerable groundwater. Construction of a few buildings has just started, there is no approved plans for schools as yet.

Chingeltei District - Denjin 1000 – ADB is investing in ger area urban development to the very north of this district. The northern half of the district has a number of high rise buildings (3 finished, 3 under construction). With plans for one school and one kindergarten. Part of the northern half has already connected to district heating (distribution), but the current system is only sufficient to meet the existing demand, any growth in demand can not be met by the current system. The south portion of Denjin 1000 has no buildings under construction, one developer received a concession but did not progress, part of the issue is that the areas elevation makes it difficult.

Chingeltei District - Gandan – this area already has some district heating installed, so key informants couldn’t agree that it was a high priority area for additional district heating transmission. In addition, any future investments would require significant resettlement to establish a right of way in this area. There are currently 11 apartment buildings and 0 any schools in Gandan.

Figure 05, shows the areas under the UB City Ger Area Re-development Program, those shaded in green and purple; this has been overlaid with the findings from key informant interviews on urban development investments.
4. **SOCIO-ECONOMIC SCREENING CRITERIA**

One proposed investment activity under the project is to support the expansion of transmission network into a selected near-urban ger area (sub-component 1.2), in line with the on-going redevelopment agenda. Locations brought forward for consideration will be considered based on several criteria on technical, economic, financial, environmental and social aspects.

The following socio-economic screening questions are proposed to guide project planning (by the PMO) for sub-component 1.2 expansion in near urban ger areas, in aligning socio-economic considerations alongside financial, environmental and engineering. In assessing specific locations, the PMO (social safeguards specialist) will use this screening criteria at each potential location, as such each location will have a socio-economic score; areas with a higher score will be prioritized from a socio-economic perspective.

<table>
<thead>
<tr>
<th>SOCIAL SCREENING CRITERIA FOR NEAR URBAN GER AREA EXPANSION (SUB-COMPONENT 1.2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location:</td>
</tr>
<tr>
<td>Has the proposed near-urban ger area khorro:</td>
</tr>
<tr>
<td>□ Been identified as a priority area for district heating expansion by UB City?</td>
</tr>
<tr>
<td>Not identified (0)</td>
</tr>
<tr>
<td>□ A high degree of apartment building readiness at the time of assessment?</td>
</tr>
<tr>
<td>The location has 2-3 apartment buildings opened (2)</td>
</tr>
<tr>
<td>□ Apartments planned or under construction in the next 5 years?</td>
</tr>
<tr>
<td>The location has 1-2 apartment buildings planned or under construction (1).</td>
</tr>
<tr>
<td>The location has 2-3 apartment buildings planned or under construction (2).</td>
</tr>
<tr>
<td>The location has 3 or more apartments planned or under construction (3).</td>
</tr>
<tr>
<td>□ Schools existing or planned in the next 5 years? Schools can be primary or secondary schools.</td>
</tr>
<tr>
<td>The location has 1 school existing or planned (1).</td>
</tr>
<tr>
<td>The location has 2 or more schools existing or planned (2)</td>
</tr>
<tr>
<td>□ Perceived as a high need location by municipal stakeholders?</td>
</tr>
<tr>
<td>The location addresses an area of moderate priority for key stakeholders (1).</td>
</tr>
<tr>
<td>The location addresses an area of high priority amongst two or more key stakeholders (2)</td>
</tr>
<tr>
<td>The location addresses an area which is of high priority for three or more key stakeholders (3)</td>
</tr>
</tbody>
</table>
| **Perceived as a high need location from community stakeholders?** | The location addresses heating in an area that is not a perceived priority (0)  
The location addresses heating in an area of low priority for community stakeholders (1)  
The location addresses heating in an area of moderate priority amongst community stakeholders (2)  
The location addresses heating in an area of high priority for community stakeholders (3) |
| **Poverty reduction or social-inclusion benefits?** | Location offers no significant poverty reduction or inclusion benefits (0)  
Location offers some indirect poverty reduction or social inclusion benefits (1)  
Location offers some direct (and indirect) poverty reduction and social inclusion benefits (2)  
Location offers significant and direct (and indirect) poverty reduction and/or social inclusion benefits (3) |

Total Social Score for Location:

Once a specific location is selected and agreed between the MoE, PMO and World Bank, requirements set out in the ESMF (including RPF) will apply for any additional assessment. It is anticipated that impacts will be similar to those anticipated under sub-component 1.1 given the nature of civil works is comparative. As such, preliminary consideration of such social impacts has been incorporated into Section 5 of this document.
5. SOCIAL IMPACT ASSESSMENT

The social impact assessment (SIA) describes the process of analysis and planning used by Ministry of Energy and Ulaanbaatar District Heating Company to ensure the social impacts and risks of the project are identified, avoided, minimized, reduced or mitigated is required. This assessment was undertaken by a qualified social specialist together with the project working group in November 2019, incorporating the results of consultations.

This impact assessment focuses on those impacts anticipated for sub-component 1.1 & 1.3 the upgrading and modernization of the district heating network, however, consideration of sub-component 1.2 is also incorporated as impacts are expected to be similar. Additional social assessment requirements for sub-component 1.2, the location of which will be identified after appraisal are outlined in the project ESMF. The impact assessment considers those impacts from project design, construction and operations.

The following social impacts were identified during a screening activity (September 2019) as potentially resulting from project activities, they have been assessed (October-Nov 2019) and their degree of impact considered in this chapter:

- Displacement of shops and fixed assets in the right of way
- Pedestrian Access Restrictions and Safety
- Traffic disruptions and Noise
- Utility Disruption
- Project Workforce and population influx
- Worker occupational health and safety
- Intangible cultural heritage
- Community safety
- Disproportionate impacts on vulnerable groups

5.1 DISPLACEMENT IMPACTS TO SHOPS AND FIXED ASSETS

Sub-component 1.1 will include replacing 4.2km of existing above ground heating transmission line; of which 2.8km in length will be replaced with new above ground piping and burying 1.4km of pipeline under ground. The transmission pipeline has a 10 meter (5 meter either side) safety Right of Way (ROW), a small number of shop structures have been illegally built in this ROW and will be affected by the project. Please refer to the project Resettlement Plan (RP) for more details about these structures, included here in the Annex. Displacement impacts for sub-component 1.2 may be similar, as any expansion will be along existing road right of way or buried under existing roads. As such small informal shop structures may be affected; given the location is unknown at the time of project appraisal, a RPF has been developed to guide due diligence activities and the development of a resettlement plan if required.

5.2 PEDESTRIAN ACCESS RESTRICTIONS & SAFETY

Construction activities are anticipated to take 5-6 months in total for the refurbishment. Laying of the pipeline underground will likely be done in sections (100-200 meters) with disturbance expected for 2 weeks per section. This may cause temporary, disturbances to businesses, apartment buildings and offices in accessing their residences or place of work; as well as pedestrian safety issues with trenching at a depth of 2-3m. For
subcomponent 1.1 there are approximately 227 apartment buildings and offices/business and 1 kindergarten named “Yanzagiin naizuud” in close proximity to the 4.2km line. There are no other schools or hospitals in proximity that would be affected. For sub-component 1.2 pedestrian access will be similarly affected, although there are anticipated to be less buildings, given the near-urban ger areas are less developed then central Ulaanbaatar, most of those areas included in this assessment did not have schools or hospitals at present.

The impact is initially assessed as moderate, with a medium magnitude (short 2 week duration, temporary impact) some areas of vulnerability among the population (elderly, disabled) with some ability to adapt to project changes and some difference in baseline conditions experienced. Which can be lowered to negligible with appropriate mitigations. As such, access restrictions will need to be carefully managed together with the contractor (see section 6) to ensure pedestrians can enter and exit buildings safely.

5.3 TEMPORARY DISRUPTIONS (TRAFFIC & NOISE)

Construction activities are anticipated to take 5-6 months in total for the refurbishment (sub-component 1.1). Laying of the pipeline underground will likely be done in sections with disturbance for 2 weeks per section (100-200 meters) approximately. Up to 10 vehicles per day are anticipated during peak construction. This includes trucks bringing sections of new pipeline and other materials into the city (approx. 1.5 per day); these will be stored outside of the city until each section is needed and then trucks will bring them to the construction site. Additional trucks removing soil from trenches are anticipated to be approximately 6.5 trucks per day during peak construction.

For sub-component 1, there are 3 road crossings; which will need to be closed for approximately 1-2 days for construction; resulting in traffic congestion. Traffic congestion may worsen as construction traffic in urban areas increases during rush hours; roads may be fully or partially closed during pipeline construction, causing temporary inconvenience to traffic, residents, commercial operations, and institutions. The following road disturbances will occur:

- 5A pipeline: 3 road cross sections of the road. The road will be closed 1-2 days for the construction work.
- 3G pipeline: 2 car parks, 2 road and 2 car exits are in the 3G pipeline construction area. The area will be closed 12-36 hours depending on the construction workload.

The impact is initially assessed as moderate; the magnitude is medium, of short duration, a temporary impact, vulnerability not differentially impacted and some difference in baseline conditions experienced. Which can be lowered to minor (low) with appropriate mitigations.

There is also one rail crossing (overhead pipeline), construction will need to be managed together with Mongolian railway for this regional trainline.

Noise of construction may potentially have a moderate impact on residential areas, and the first row of building on the road next to the site. There are no hospitals or schools, only one kindergarten in proximity to the construction area of sub-component 1.1, which will be closed during the summer construction months. For sub-component 1.2 residents and businesses will be similarly affected by construction noise, although there are anticipated to be less buildings, given the near-urban ger areas are less developed then central Ulaanbaatar, most of those areas included in this assessment did not have schools or hospitals at present. Construction noise impacts are assessed as moderate, the magnitude is of short duration, temporary impact, localised; vulnerability not
differentially impacted and some difference in baseline conditions experienced. Which can be lowered to minor (low) with appropriate mitigations, to reduce and minimise construction noise.

5.4 **UTILITY DISRUPTIONS**

Utility disruption is also for sub-component 1.1 for a limited duration during the construction period, namely for hot water supply to residential apartments and business. Disruption of steam supply is particularly pertinent to the 40 manufacturing business (vodka, dairy, drinks) in the light industrial area near to CHP3, who are clients of the power plant that need high temperatures for manufacturing processes. Other interruptions in municipal services and utilities may occur because of accidental damage to pipelines for water supply, electricity, underground power cables and communication cables (including optical fibre cables) during construction. Any of these disruptions in service can affect the economy, industries, businesses and residents’ daily life.

Inconveniences to residents and businesses, including small businesses, are inevitable during the construction period (e.g. limited access, noise from construction works or e.g. temporary closure of other utilities (power and / or water)). These inconveniences will, however, have a temporary nature. Hot water disruptions will be limited for 2-4 weeks; this disruption occurs similarly every summer in Ulaanbaatar whilst maintenance work is undertaken in sections, so residents should not experience this differently as a result of the project.

The impact is initially assessed as moderate, with a medium magnitude (short 2 week duration, temporary impact) some areas of vulnerability among the population (elderly, disabled) with some ability to adapt to project changes; although changes in utility are within the range commonly experienced within the household and community. Activities will be undertaken during summer months to limit the utility disturbance to residents and businesses. For example, heating-off-season, school vacation period. Together with mitigations, utility impacts can be lowered to minor with appropriate measures. These impacts will be carefully managed, see Section 6 for further details.

For the expansion under sub-component 1.2 similar impacts (accidental disruptions) will be experienced with new transmission pipeline buried under existing roads or in the road right of way.

5.5 **WORKFORCE & INFLUX**

The estimated workforce is anticipated to be 50-100 persons, with less than 100 persons at peak construction; this includes workers for both the material transportation and installation activities. The workforce is anticipated to be sourced locally with materials sourced internationally by an international supplier (with good standing, meeting bank EHS requirements); as such no influx is anticipated as all workers will already reside in Ulaanbaatar. No influx of opportunity seekers is anticipated; there will be no work camps and only a small workforce, hence it is unlikely to attract opportunity seekers looking for employment or to establish shops supplying the workforce. As such influx impacts are not anticipated and are evaluated as ‘negligible; for this project. Risks associated with an international supplier are considered low, as these are anticipated to be international firms that follow good environmental and worker safety and health practices equivalent to Bank safeguard requirements.

Gender based violence (GBV) or sexual exploitation and abuse (SEA) impacts are assessed as negligible-minor, given the urban setting, locally sourced workforce (no worker camps) and short construction period. No risks on GBV or SEA were mentioned during the consultations. The impact magnitude was assessed as low, as the impact would be local, rare and affects a small proportion of receptors of a short duration. There is still potential for opportunistic misbehaviour of the workforce towards women in the city during the construction period, as such
minimisation and management measures are included in Table 6. After mitigation, these impacts are assessed as negligible.

5.6 OCCUPATIONAL HEALTH AND SAFETY FOR WORKERS;

Works under projects on networks rehabilitation/development are executed at temporary construction sites. Therefore, electricity, water, sanitation services supplies need to be addressed. Electricity may be provided by the existing network or mobile generators; water supply for workers is to be arranged from reliable sources. There are a range of potential OHS hazards and risks, such as trips, slips spills and asbestos, explosions and electrocution risks. These hazards may arise during construction and replacement of pipelines. These will be carefully managed through the Environmental Management Plan, see Section 6 for an overview. The Labour Management Procedure (LMP) and Labor grievance redress mechanism are in the annex of the EMP.

5.7 POTENTIAL CULTURAL HERITAGE IMPACTS

No physical cultural heritage finds are anticipated in the work implementation area, given its urban location. However, chance find procedures shall be executed in accordance with the national law and executed under the project environmental management plan. No impacts on intangible cultural heritage are anticipated given the urban well-developed location of the project activities and their short-term disturbances on the public over 5-6-month period. Nor were any potential intangible heritage impacts identified by stakeholders during consultation activities.

5.8 COMMUNITY SAFETY

There is potential for community health and safety impacts, these are of limited duration over the construction period (5-6 months). Impacts pre-mitigation are moderate, with potential for asbestos contamination during removal of existing old heating pipes (4.2km), as well as potential for traffic accidents from trucks or construction traffic in the city. Expected to be 10 trucks per day during peak construction delivering new sections of the pipeline and removing soil waste. Given part of the pipeline for refurbishment is in a residential area, construction vehicles will need to operate safely. The potential for accidents associated with a rupture of the existing pipeline are possible if the construction occurred whilst the heating was in operation, however construction will be done in the summer season when the heating is off and therefore the risk of rupture and accidents is negated. Post mitigation, these impacts are assessed as minor.

Community safety impacts could extend into the operations phase of the project, with encroachment into the ROW; the above ground pipelines (5a) still pose a safety risk (albeit much lower with the modernized pipes) and as such no structures (including playgrounds) should be allowed in the safety exclusion zone.

5.9 VULNERABLE GROUPS

Vulnerable Groups are persons who may be disproportionately impacted or further disadvantaged by the project as compared with any other groups due to their vulnerable status, and that may require special engagement efforts to ensure their equal representation in the consultation and decision-making process associated with the project(s). Vulnerable status may stem from an individual’s or group’s race, national, ethnic or social origin, color,
gender, language, religion, political or other opinion, property, age, culture, literacy, sickness, physical or mental disability, poverty or economic disadvantage, and dependence on unique natural resources.

Within the Project area of influence, vulnerable groups may include and are not limited to the following: Elderly people (over 55 years); Persons with disabilities and their careers; Low-income families dependent on state support; Women-headed households or single mothers with underage children; the non-titled.

A positive long-term effect of the replacement of deteriorated pipelines lies in the improvement of heat and hot-water supply services, i.e. decrease of accidental leakages and corresponding repairs and, hence, increase of service stability and quality.

The project interventions will not establish new building connections, however refurbishment improvements will allow improve the capacity of the existing system to supply additional areas in the future. In addition, sub-component 1.2 will potentially extend the district heating network transmission system (up to 1.8km in length); this would enable distribution companies to connect to the transmission in the future. These improvements would have a positive effect on residents of near-urban ger areas at some point in the future with greater capacity available in the district heating system. As there will be no new connections under the project, there is not anticipated to be any differential impacts on women or socially vulnerable groups.

Negative impacts are not anticipated to target or specifically impede vulnerable groups. There are no anticipated tariff implications, associated with the project, which would disproportionately affect vulnerable groups or their ability to pay for basic utilities. Households with access to district heating generally pay very low amounts for heating at current rates (50sqm apartment is around $10 USD per month) in comparison with other utilities. Studies suggest that households without access to district heating, in Ulaanbaatar generally pay more per month (2-3 times higher) for heating their homes. Screening criteria to consider poverty and inclusion aspects of the chosen location for any expansion are articulated in Chapter 4 of this document. For sub-component 1.2, a public consultation meeting will also be held once the location is more clearly defined, this will assist in incorporating community views into the design, especially in management of temporary disruptions and any additional measures for vulnerable members of the community that need to be addressed (i.e. access to water wells).

For sub-component 1.1 the upgrading, there is potential that vulnerable groups in residential areas may experience utility or access disruptions similarly to other residents, this is temporary and of limited duration (approximately 2-4 weeks for utility disruptions per section of pipeline). Measures are included in Table 06 to for the construction period (summer only) including information disbursement to ensure residents are notified well in advance. Vulnerabilities have also been considered in the assessment of social impact magnitude, including ability to adapt at least in part to changes brought by the project. The PMO will ensure that there is no prejudice or discrimination toward project-affected individuals or communities, including other interested parties. Particular consideration will continue to be given to the disadvantaged and vulnerable groups during the life of the project, especially where adverse impacts may arise, or development benefits are to be shared.

5.10 OTHER SOCIAL RISKS

Social risks have also been evaluated, which could have consequences for the effective implementation of the Project. In terms of broad contextual social risks, the Mongolian national elections will be held in June 2020, which may lead to a change in political leaders as well as bureaucratic reshuffling. This presents a degree of uncertainty regarding future individuals (i.e. new directors) and their ongoing support for the effective implementation of the
Project. However, we note that the previous election in 2016 did not adversely affect the implementation of the previous Energy Sector Project in Mongolia; as such these risks are considered as low as they are within the range of normal conditions.

Risks or impacts in terms of associated facilities (i.e. future urban development/distribution development) for sub-component 1.2 the heating transmission expansion have been outlined in the ESMF.

6. SOCIAL IMPACT MITIGATION & MANAGEMENT

For social impacts which require mitigation or management, the proposed mitigation measures, with timing and responsible parties are detailed for the following:

- Pedestrian access measures during civil works;
- Traffic measures during civil works;
- Workforce, gender based violence measures;
- Community health and safety measures
- Occupational health and safety for workers;
- Cultural heritage measures;
- Vulnerable group enhancement or mitigation measures.

Table 11 outlines each of the social impacts assessed herein and the relevant mitigation measures and or corresponding management plan. These measures are also articulated in the ESMP, they are repeated here for reference purposes only.

Table 11  Social Impact Mitigation Table (Duplicated in ESMP)

<table>
<thead>
<tr>
<th>Impact</th>
<th>Mitigating Measure</th>
<th>Responsibility</th>
<th>Source of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Preparation/ Design Phase</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Structure impacts (shops and fixed assets)</td>
<td>Resettlement Plan for subcomponent 1.1 and Resettlement Framework for Sub-component 1.2</td>
<td>PMO</td>
<td>MoE</td>
</tr>
<tr>
<td>Pedestrian Access Restrictions</td>
<td>Measures under the EMP (Construction Management) ensuring safe pedestrian access with contractor. Information distribution (in the SEP) to residents, letters, construction notice board.</td>
<td>Contractor (PMO to monitor)</td>
<td>Contractor, Project Funds for SEP activities. Contractor for Notice board</td>
</tr>
<tr>
<td>Utility disruption (hot water) for residents</td>
<td>Measures under the SEP, such as notifications to households and limiting period of disturbance (2-4 weeks)</td>
<td>PMO</td>
<td>Project Funds for SEP activities</td>
</tr>
<tr>
<td>Steam supply disruption for manufacturing clients of CHP3</td>
<td>Temporary supply managed together with CHP3 for disruption period.</td>
<td>CHP3 together with UBDHC</td>
<td></td>
</tr>
<tr>
<td>Accidental Utility disruption (phone, internet, water)</td>
<td>Construction measures under the EMP</td>
<td>Contractor (PMO to monitor)</td>
<td>Contractor, Project Funds for monitoring under PMO</td>
</tr>
<tr>
<td>Traffic Disruptions</td>
<td>Traffic management measures under the EMP to minimize disturbance (3 road crossings), traffic coordination measures under SEP</td>
<td>Contractor (PMO to monitor)</td>
<td>Contractor, Project Funds for monitoring under PMO, Project Funds for SEP activities</td>
</tr>
<tr>
<td>---------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------</td>
<td>-----------------------------</td>
<td>---------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Noise disturbance to residents</td>
<td>Noise restrictions on working hours and equipment (managed under the EMP), Information distribution (in the SEP) to residents, letters, construction notice board.</td>
<td>Contractor (PMO to monitor)</td>
<td>Contractor, Project Funds for monitoring under PMO, Project Funds for SEP activities</td>
</tr>
<tr>
<td>Workforce behavior including gender based violence</td>
<td>Code of conduct, worker inductions under EMP &amp; LMP. GBV, SEA awareness raising to stakeholders on GBV risks and mitigation measures and capacity building of the PMO</td>
<td>Contractor (PMO to monitor)</td>
<td>Contractor, Project Funds for monitoring under PMO, Project Funds for SEP activities</td>
</tr>
<tr>
<td>Worker occupational Health and Safety</td>
<td>OHS management measures under the EMP and LMP</td>
<td>Contractor (PMO to monitor)</td>
<td>Contractor, Project Funds for monitoring under PMO, Project Funds for SEP activities</td>
</tr>
<tr>
<td>Cultural heritage</td>
<td>Chance Find procedure under the EMP and ESMF</td>
<td>Contractor (PMO to monitor)</td>
<td>Contractor, Project Funds for monitoring under PMO, Project Funds for SEP activities</td>
</tr>
<tr>
<td>Community Health and Safety (asbestos, traffic accidents pipeline rupture)</td>
<td>Construction in non-heating season only to avoid rupture incident, asbestos mitigation measures in LMP, traffic management measures in EMP, traffic coordination measures under SEP</td>
<td>Contractor (PMO to monitor)</td>
<td>Contractor, Project Funds for monitoring under PMO, Project Funds for SEP activities</td>
</tr>
<tr>
<td>Vulnerable groups (positive and negative)</td>
<td>Measures under the EMP (Construction Management) ensuring safe access with contractor. Information distribution (in the SEP) to residents, letters, construction notice board.</td>
<td>Contractor (PMO to monitor)</td>
<td>Contractor, Project Funds for SEP activities. Contractor for Notice board</td>
</tr>
</tbody>
</table>

**Operation Phase**

| Vulnerable groups and livelihood impacts (tariff implications) | Negligible, given no tariff implications, monitoring by PMO | PMO | Project Funds for monitoring under PMO |
| Community health and safety | Continue to keep safety ROW (5m either side of the pipeline) clear of structures | PMO | Project Funds for monitoring under PMO |
The Project Management Office (PMO) will be established within the MOE headed by a Project Director. The MOE will provide ministerial oversight for project activities including project preparation, supervision, and M&E. The PMO will be responsible for the procurement of the goods, works, and services; undertaking of FM including disbursement processing and project audit; public relations; consolidation of environmental and social safeguards measures in compliance with the World Bank’s requirements; and preparation of periodical reports and their submission to the World Bank.

The PMO will liaise with UBDHC, and make sure that UBDHC actively participate in the project implementation stages, particularly by providing technical inputs. Under the PMO’s oversight, UBDHC will participate, among others, in the definition of technical specifications, tender evaluations, and construction supervision. UBDHC will assign, and if necessary hire, a technical support team that will ensure implementation of the investment activities in their respective areas. Establishment of a PMO with the composition, resources and terms of references satisfactory to the World Bank is a condition of effectiveness; a social safeguards specialist will be appointed or hired into the PMO responsible for PM) related activities under the SIA as well as overall responsibility for the document. Implementation of measures will commence with the forming of the PMO.

Monitoring of the implementation of measures outlined in the ESMP (and duplicated in table 11 above) will be the responsibility of the PMO. In some instances the PMO is responsible for directly implementing specific activities, the social specialist will be responsible to implement and or ensure these happen. The status of these measures will be summarized and reported in semi-annual project reports to the world bank. Please refer to the EMP for further details on monitoring.

All disclosure is outlined in the Project Stakeholder Engagement Plan (SEP). In line with WB’s access to information Policy, UBDHC is required to ensure that relevant project information about environment and social safeguard issues is made available during the initial stages to affected people and other stakeholders, including the general public at District/khoroo where it is publicly accessible in Mongolian language and any other vernacular local language. UBDHC will also upload and display this SIA and its relevant documents on its website for the project.

The SEP also outlines the project Grievance Redress Mechanism (GRM) which the community can use if they have any complaints with regards to the project.
REFERENCES

National Statistics Office of Mongolia 2019
National Statistics Office of Mongolia 2018
UB City Statistics
State Registration Authority
Asian Development Bank 2018
ADB, Gender responsive sector and local development policies and actions report, 2019
World Bank
ANNEX A: RESETTLEMENT PLAN

A.1 Introduction

This document is a Resettlement Plan (RP) for the Ulaanbaatar Heating Sector Improvement Project (the project) (P170676), namely subcomponent 1.1 heating transmission refurbishment. A loan of $41million is proposed, from the World Bank (an IDA credit). The Mongolian Ministry of Energy (MoE) is the project implementing entity, working together with the Ulaanbaatar District Heating Company (UBDHC).

A number of structures (i.e. small shop kiosks) and other fixed assets (i.e. fences) have been identified in the Right of Way (ROW) safety exclusion zone (5 meters either side of the existing transmission pipeline to be refurbished and buried underground). A complete census and inventory of losses (IoL) was conducted for the 6.6km identified for refurbishment in central Ulaanbaatar, on October 3rd 2019. Follow up with absent owners, was conducted on the 11th of October 2018. Given the right of way is public utility land, the cut-off date for was announced on 15th of November 2019 with posters placed on the pipeline, informing the cut-off date and that anyone moving into the area will not be eligible for compensation.

This RP includes the results of these activities and the proposed compensation as per the World Bank’s Environmental and Social Framework (ESF), 2017 Land Acquisition, Restrictions on land Use and Involuntary Resettlement (ESS5).

The guiding objective for this RP is that involuntary resettlement is to be avoided or minimised throughout the Project. Where avoidance is not possible, the objective is to minimise impacts. Ultimately, any Affected Persons (APs) should be better off, or at least as well off, as before the project. All persons affected by the project are to be consulted throughout the project, have the opportunity to participate in planning, and to share in project benefits.

Project Description

The project development objective is to enable access to and improve efficiency of the district heating (DH) network in selected project areas. The project will be located in the capital city Ulaanbaatar. The project has two components: component 1: investments in rehabilitation and expansion of District Heating network; and component 2: capacity strengthening and project implementation. Only component 1, subcomponent 1.1. (described below) is relevant to this resettlement plan having known impacts, as the infrastructure alignment has been identified prior to project appraisal. A resettlement policy framework has been developed for the project for all other infrastructure identified after project appraisal.

Subcomponent 1.1. Rehabilitation and upgrading of the District Heating network in selected urban areas. The subcomponent will contain (i) Replacement of existing DN800 pipeline with DN1000 known as “5a” trench; (ii) Replacement of existing 2xDN400+1xDN600 with new DN800 pipeline to north known as “3g”trench; and (iii) Replacement of existing DN250-350 pipelines of trenches “2a”, “4a” and “4b” with DN400-500.

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7 Terminology such as ‘displaced’ can refer to social and/or economic as well as physical displacement of an affected person. In this document, to avoid confusion, the word ‘affected’ will be used to mean a person suffering any adverse impact. They may have formal legal rights to land and assets, have a claim to land or assets recognizable under law, or have no legal rights to claim land and assets.
A total of 4.2km of heating transmission pipeline (trench length) will be rehabilitated in central Ulaanbaatar, from Central Heating Plan 3 (CHP3) towards the centre of the city, as shown in figure 1.

**Figure 1 Subcomponent 1.1 DH Transmission Refurbishment Location in Ulaanbaatar (4.2km)**

Sub-component 1.1 will include upgrading and in some sections burying the heating transmission line, currently above ground or raised (see Figure 2). The transmission line has a 10 meter (5 meter either side) safety Right of Way (ROW), a small number of structures have been erected in this ROW, (considered the zone of impact) as identified during due diligence in mid-2019.

**Figure 2 Subcomponent 1.1. DH Transmission Line For Refurbishment Safety Right of Way**

Measures to minimize impacts, were considered during the preparation of this resettlement plan. UBDHC and Bank engineers examined locations of all affected shops and other assets (including the playground) to evaluate safety and potential options to shift structures on November 13, 2019. As a result one less shop structure was impacted. Additional measures (or alternatives) to reduce impacts, are unlikely during implementation given safety considerations in the right of way. However, through implementation of the RP, the PMO together with project engineers will continue to review alternatives wherever possible to support affected households. Measures to rehabilitate etc during construction are included in the entitlement matrix.
A.2 SCOPE OF RESETTLEMENT IMPACTS

Impacts due to project interventions were assessed through field surveys conducted on October 3rd 2019. The techniques used for data collection included an IoL and census survey. Experienced field staff facilitated these activities. The IoL was conducted to finalise information on the exact number of all affected households and assets for subcomponent 1.1. As such this RP includes a list of all affected persons for subcomponent 1.1 with their losses.

The survey findings have identified a total of 4 households and 19 persons (3 shop owners, one renter), with an additional two households unable to be contacted (one structure has been vacant for two years and one is new) as being affected by subcomponent 1.1 project interventions (see further details below). In total 5 shop structures, 1 security guard post, one vacant canteen and one playground within the right of way will be affected by the subcomponent. 1.1. Table 2.1 summarizes the anticipated impacts.

Table 1 Summary of impacts

<table>
<thead>
<tr>
<th>Displacement Impact</th>
<th>No. of Affected households/Institutions</th>
<th>Affected Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of affected shop structures (occupied)</td>
<td>3</td>
<td>19</td>
</tr>
<tr>
<td>Number of affected shop structures (unoccupied)</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Number of extra employees affected at shops</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Number of renters affected</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Vulnerable households</td>
<td>4*</td>
<td>19</td>
</tr>
<tr>
<td><strong>Impacted Structures &amp; Assets in ROW</strong></td>
<td><strong>No.</strong></td>
<td><strong>No.</strong></td>
</tr>
<tr>
<td>Total Affected Shops</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Guard Post structure</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Vacant Canteen</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Playground</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Car Park</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>

*3 shop owners and one renter

Each affected structure/asset is discussed below. In terms of legal status, the majority have constructed structures and fixed assets illegally in the safety right of the existing heating transmission line (5 meters either side of the pipeline) per Article 12.8 of Law on Infringement 2017 and Article 33.1 Law on Mongolian Energy 2001. The guardhouse, empty canteen and a car park had a contractual engagement with UBDHC, but post the 2017 Law on Infringement, had been issued notice to vacate the ROW in 2018. UBDHC as part of its regular practice patrols and has a process for removing illegal structures together with the relevant municipal department, in the right of way. However, during due diligence activities a number of structures were identified, as discussed below.

In terms of vulnerability, none of the affected households have incomes below 455,000 MNT per month per the poverty headcount index for Urban areas. None of the households were completely dependent on the shops as their main source of income, with welfare payments, spousal income available. One shop owner receives disability support from the government. There were no female headed households affected. There were no households with members over 55 years. However, given the households are non-titled and the shops are their primary source of income; the 4 identified households will be considered as vulnerable for the purposes of this resettlement plan.
A new shop (size of 12m2 (3x4)) in Bayangol District, 1st khoroo, made from corrugated sheet material (since October 2019) will be fully affected given its location in the ROW. The shop is new, empty with no stock and not in use. The shop owner has yet to be identified and the project team are continuing to attempt to contact them.
Delger LLC Shop

Delger LLC general shop is located in Khan-Uul district, 12th khoroo, a general shop selling a variety of items. The structure owner and her husband live together (2 persons), their older children have left home. The structure is rented from the owner. The renter pays 300,000MNT per month in rent. Both the owner and the renter are considered separately impacted households. The structure built in 2017 is made from corrugated sheeting, and is 6m2 and will be fully affected. The structure owner, has alternative income sources from their husbands income and welfare payments. The renter’s family also has another source of income, with 3 family members; their net profit from the shop each month is 250,000MNT.

Bayankhangai Shop

An vacant shop structure was identified in Khan-Uul District, 3rd khoroo. According to a neighbouring business it hasn’t been operating for two years. The structure is 9 m2 made of bricks, the pipeline is overhead. Activities under the project may bury the pipeline or keep it overhead, depending on the final chosen design. The structure is as such treated as fully affected. The PMO is attempting to contact the structure owner.
Nyamkhuu’s Tire Shop

Nyamkhuu's tire shop (as shown in the image) in the Khan-Uul, 3rd khoroo, constructed in 2017 is within the safety right of way. The structure (6m²) is made from corrugated sheets. The tire shop is the families primary income source, but not their only income source with the wife having alternative work. There are two people working at the shop (the owner and an additional employee).

Security Guardhouse – Hungun Beton LLC

A security guard post structure (25m²) owned by Hungun Beton LLC is within the safety ROW. Previously UBDHC had a contractual arrangement with the owner, however since the Law on Infringement 2017 became effective July 2017, UBDHC can no longer have such an arrangement in the right of way. UBDHC issued a notice to the company in 2018 informing them to remove the structure from the right of way. The final detailed design will attempt to avoid the structure, if this is not possible the owner will be given the option to have the project contractor dismantle the structure. They will have the right to salvage all materials. If sufficient space within owners premises then they will be given the option for the project contractor to relocate movable assets.
Empty Cafeteria – City Taxis LLC

The City Taxi cafeteria brick structure (35m2) owned by City Taxi LLC is within the safety ROW; the building has been unused for a number of years. Previously UBDHC had a contractual arrangement with the entity, however since the Law on Infringement 2017 became effective July 2017, UBDHC can no longer have such an arrangement in the right of way. UBDHC issued a notice to the entity on the 31st of May 2018 informing them to remove the structure from the right of way. The final detailed design will attempt to avoid the structure, if this is not possible the owner will be given the option to have the project contractor dismantle the structure. They will have the right to salvage all materials. If sufficient space within owners premises then they will be given the option for the project contractor to relocate movable assets.

Bars Impex Car Parking – Bars Impex LLC

Bars Impex LLC car park area (200m2 of asphalt in the ROW) owned by Bars Impex LLC. Previously UBDHC had a contractual arrangement with the owner to utilise the ROW for car parking, however since the Law on Infringement 2017 became effective July 2017, UBDHC can no longer have such an arrangement. UBDHC issued a notice to the owner 4th of June 2019 informing them they can no longer operate in the safety right of way. Any damages outside of the right of way to the carpark will be will be compensated in cash based on negotiated agreement with the affected entity.
**Apartment Playground**

As shown in the photo above, playground equipment belonging to an apartment home owners association (9A, 999SU) in the Khan-Uul district, 3rd khoroo is encroaching into the right of way. 30m² of soft flooring, 37 meters of fencing and 4 pieces of outdoor play equipment (monkey bars, seesaw, pull up, slide system) are within 5 meters of the pipeline. As the pipeline will likely be above ground in this location, it will continue to pose safety risks within the ROW. As such reinstalling the equipment in this location is not recommended. There is another playground on the opposing side of the apartment building, so disruptions during construction are not greatly expected. The association was also informed about the high degree of risk in the current situation, as a rupture of the pipeline could result in loss of life from the ensuing steam released. The association will be given the option to have the civil works contractor dismantle the equipment; and relocate the equipment nearby if alternative space is available at the premises (outside of the ROW).

**Altai Khothon Car Park**

The car park encroaching into the safety ROW (of the overhead pipeline) belongs to Altai Khothon, an apartment building in proximity for use of their residents. Approximately 300m² of tarred pavement is within the right of way 15x20m. Any damages outside of the right of way to the carpark will be will be compensated in cash based on negotiated agreement with the affected entity.
The social-economic survey (census) for affected households was conducted on October 3rd 2019, with four shop owners. Detailed information with regards to the survey findings for affected households are presented in this here.

Of the four shop owners, this is equivalent to 19 people, in which there are 12 males, accounting for 61% and 8 females, accounting for 39%. The average household size among the affected population was 4.75 persons. The average household size in Ulaanbaatar is 3.6 whereas the national average is 3.5 (NSO, 2018). The census indicated that there are 14 people of working age (15–59). Whilst, 33% of the population are children (0–14 years); 29% in the 15–24 years bracket considered as early working age; and 38% between 25–59 years considered as prime working age. We note that the Mongolian Labour Code defines elderly people as 60 years: "40.1.3. if an employee reached 60 years of age and his/her right to receive pension for elderly people has arisen."

Census findings indicate that 68% of the affected population are studying at the moment, accounting most of the households school aged children. 62% of the affected population have higher secondary education; 14% have a secondary education; and 14% have a primary education. The main field of economic activity/occupation of the employed population is in the business sector (63%). About 37% of people are engaged in private work sector; all of them are males. Figure 03 shows the main economic activity in the study area.

Figure 03 Economic Activity of Affected Households

In terms of poverty, the Mongolian Statistical Yearbook 2009 provides background data on poverty levels within the City. The Poverty Headcount Index is a widely-used poverty measure, giving the percentage of the population whose consumption is below the poverty line. For Ulaanbaatar, this rate is 36.7% in 2009, which compares to 38.7% nationally. This increases to over 49% in rural areas, showing that relatively speaking, Ulaanbaatar is wealthier than the rural areas. This translates to an average household income of nearly 455,000 MNT per month in urban areas. Data shows that 100% of the households in the RoW earn above the poverty level income (the poverty level in Mongolia is 455,000 MNT per month); although we note that this amount has not been inflated adjusted and there is no other easily transferable income poverty level available at present. These households have few savings, as their income and expenditure is very similar (Table 02 below).
### Table 02: Affected households in the RoW by income and expenditure

<table>
<thead>
<tr>
<th>Income group (in MNT)</th>
<th>Households by Income</th>
<th>Households by Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of HH</td>
<td>% of HH</td>
</tr>
<tr>
<td>&lt;=455 000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>455 000–909 000</td>
<td>2</td>
<td>50</td>
</tr>
<tr>
<td>910 000–1 364 000</td>
<td>2</td>
<td>50</td>
</tr>
<tr>
<td>&gt;=1 819 000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

### A.4 RESETTLEMENT PLAN CONSULTATION & DISCLOSURE

Consultation and participation on all aspects of the project is presented in the Project Stakeholder Engagement Plan (SEP), this section discusses consultation/disclosure at it relates specifically to displacement impacts. During the resettlement planning stage, all affected households and entities were met with as part of the census and IoL surveys (October 3rd 2019) and for follow up (11th October 2019 and 13 November 2019) except with the two vacant shop owners who have not yet been located, the project will continue attempts to locate them. Key project information was shared with the households, as well as their preferences for support from the project. Affected entities already notified in 2018 to vacate under law were met with in mid-November 2019, to inform them about the project.

Given the small number of affected households, consultation focused on informing them about the project and gaining information on their preferences and needs. When shop owners were asked about their concerns regarding the project (11 Oct 2019), these included: not having any place to move, needing support to move and wanting to move to an area nearby. The project sought to integrate views and affected peoples preferences into the RP, for example, Tsetsen Khairkhan LLC Shop owner was met with on November 13 2019, together with project engineers to explore opportunities to shift the shop out of the ROW and their preference for this measure. Through implementation of the RP, the PMO together with project engineers will continue to assess alternatives wherever possible to support affected households; households can raise their concerns to the PMO directly during planning or access the project GRM (See GRM section). See annex for further details on RP consultation.

The draft RP, translated into Mongolian will be disclosed on the borrower (and bank) website and shared with affected households. Affected persons and entities will continue to be consulted directly regarding displacement impacts, compensation and other arrangements. The PMO, will disclose the final RP (if updates are needed) to the affected persons and the general public in the project area both on its website, and in hard copy in a language and location accessible to them; one month occur following Bank acceptance.

### A.5 RESETTLEMENT PLAN LEGAL & POLICY FRAMEWORK

The relevant stipulations of national law and World Bank Environment and Social Framework (ESF, 2017) are summarized in this section along with measures to bridge any gaps between the legal provisions and Bank requirements. The basic legislative framework for land acquisition and resettlement under the existing legal framework consists of the following: the Constitution (1992); the Land Law (2006); the Law on Allocation of Land to Mongolian Citizens for Ownership (2003); The Civil Code of Mongolia (2002); Government land valuation tariff (Cabinet Resolution 103, 2003); law on State Registration of Property Allocation Rights and Other Related Rights (2003); and the Law on Urban Development (2015). Given there will be no land acquisition under the project component 1.1, the Law on Urban Development, 2015 applies, in addition the Law on Infringement 2017 and the Law on Mongolian Energy 2001 are applicable for management of the ROW.

Constitution of Mongolia states, inter alia, that “The State shall have the right to hold landowners 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” and “If the State and its bodies appropriate private property on the grounds of exclusive public need, they shall do so with due compensation and payment” respectively.

The Land Law regulates how to acquire land when possession titles expire. Non-titled occupants of land are considered illegal land users and can be evicted on the basis of Article 27.4 of the Land Law, which states that “possessing land without a valid license is prohibited”. The Law on Allocation of Land to Mongolian Citizens for Ownership contains provisions respecting expropriation of land under private ownership. Article 35 of the Law on Allocation of Land to Mongolian Citizens for Ownership stipulates the confiscation of land owned by a citizen when the Article 28 of the same law is infringed. The Government land valuation tariff (Cabinet Resolution 103) determines land valuation tariffs.

With regards to the right of way, Article 33.1. of the Mongolian Law on Energy, states that “Lines and networks shall have established boundaries of their safety zones. it is prohibited to build any gers, housing and buildings or conduct any activities other than those permitted by the network owner within these boundaries”.

**Table 03: Comparison of Mongolian Law and World Bank Involuntary Resettlement Requirements**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible Affected Entities</td>
<td>Licensed owners, possessors and users of land can transfer their titles to other legal persons recognized under the Land Law (Articles 35 and 38) and the Law on Allocation of Land to Private Citizens (Article 27). Non-titled occupants of land as illegal possessors are not eligible to transfer the land occupied or receive compensation (Land Law, Article 27.4). 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).</td>
<td>(ESS5) Affected persons may be classified as persons: 1. (a) Who have formal legal rights to land or assets; 2. (b) Who do not have formal legal rights to land or assets, but have a claim to land or assets that is recognized or recognizable under national law; 14 or 3. (c) Who have no recognizable legal right or claim to the land or assets they occupy or use.</td>
</tr>
<tr>
<td>Compensation for structures</td>
<td>Contractually agreed payment for transfer of structures located on land acquired. The value of structures is determined at market rates, with depreciation deducted from gross value of the structure. The implication in the land laws is that land and immovables should be compensated at market value. In practice, compensation is not based on market value.</td>
<td>To mitigate unavoidable adverse social and economic impacts from land acquisition or restrictions on land use by: (a) providing timely compensation for loss of assets at replacement cost (ESS5).</td>
</tr>
<tr>
<td>Vulnerable Groups</td>
<td>No legislative provisions for vulnerable displaced persons.</td>
<td>For economic and physical displacement the RP will pay particular attention to gender aspects and the needs of vulnerable segments of communities, and will ensure that these are provided in a transparent, consistent, and equitable manner (ESS5).</td>
</tr>
<tr>
<td>Grievance procedure</td>
<td>The Land Law refers disputes over land to the governors of administrative units and eventually the courts (Article 60). The Civil Code and Law on Allocation of Land to Private Citizens refers various types of disputes to the courts.</td>
<td>Propose and implement a grievance mechanism to receive and facilitate resolution of concerns and grievances proportionate to the project risks and impacts (ESS10).</td>
</tr>
</tbody>
</table>

---

8 Replacement cost” is defined as a method of valuation yielding compensation sufficient to replace assets, plus necessary transaction costs associated with asset replacement. Where functioning markets exist, replacement cost is the market value as established through independent and competent real estate valuation, plus transaction costs. Where functioning markets do not exist, replacement cost may be determined through alternative means, such as calculation of output value for land or productive assets, or the undepreciated value of replacement material and labor for construction of structures or other fixed assets, plus transaction costs. In all instances where physical displacement results in loss of shelter, replacement cost must at least be sufficient to enable purchase or construction of housing that meets acceptable minimum community standards of quality and safety. The valuation method for determining replacement cost should be documented and included in relevant resettlement planning documents. Transaction costs include administrative charges, registration or title fees, reasonable moving expenses, and any similar costs imposed on affected persons. To ensure compensation at replacement cost, planned compensation rates may require updating in project areas where inflation is high or the period of time between calculation of compensation rates and delivery of compensation is extensive.
The Law on Urban Development (Article 17 and 18) states participatory planning shall be adopted in urban development planning and consultation with citizens shall be conducted in the course of implementation of urban planning. Decisions pertinent to urban development shall be disseminated and disclosed to the public in a timely manner.

The Borrower will prepare a plan proportionate to the risks and impacts associated with the project: For projects with minor land acquisition or restrictions on land use, as a result of which there will be no significant impact on incomes or livelihoods, the plan will establish eligibility criteria for affected persons, set out procedures and standards for compensation, and incorporate arrangements for consultations, monitoring and addressing grievances.

(ESS5)

Cut-off date
There is no provision as to cut-off date for acquisition of land under possession or use.

In conjunction with the census, the Borrower will establish a cutoff date for eligibility. Information regarding the cut-off date will be well documented and will be disseminated throughout the project area at regular intervals in written and (as appropriate) nonwritten forms (ESS5).

Notification period for vacating property and commencement of civil works
Time period for vacating a property may be defined in contract. Civil works commence in parallel with acquisition of property, but without a defined waiting period.

The Borrower will take possession of acquired land and related assets only after compensation in accordance with the ESS has been made available (ESS5).

As presented in Table 03, there are several policy gaps between the Mongolian legal framework and the World Bank ESF. According to Mongolian law or practice: (i) non-titled occupants of government land, are not eligible for compensation and rehabilitation entitlements; (ii) income and livelihood rehabilitation is not normally considered in local land acquisition practices; (iii) transaction costs are not included in compensation payments; (iv) there are no project internal grievance procedures preceding dispute resolution by governors and the courts; (v) public consultation and information disclosure is not practiced; (vi) an eligibility cut-off date is not declared; (vii) there is no limitation on commencement of civil works until after completion of all land acquisition procedures, and (viii) there is no need to prepare an RP or to undertake monitoring and evaluation activities.

To bridge these gaps, this RP provides entitlement provisions (see Entitlements Matrix), which integrates both, while World Bank ESF (ESS5) requirements prevail in cases of discrepancies. In addition, to bridge process related gaps the following principles will apply.

- The cut-off date for compensation will be 15th November 2019 after the census (October 3, 2019) as advertised on the pipelines (see photos in attachments).
- All affected persons will be eligible for compensation and rehabilitation entitlements irrespective of their property status, including unlicensed occupants of land, and of the type of use of their property (residential, commercial, public or community.
- Affected structures and fixed assets will be compensated at replacement cost based on prevailing market rates for comparable types of structures without deduction of depreciation. Materials may also be salvaged by the affected persons.
- Temporary disturbances, including removal of fences and civil works on land outside ROW, will be compensated in cash based on negotiated agreement with affected entities. Affected entities will enjoy continued access to land and residences. Civil works contractors will move fences and will restore land and fences upon completion of works.
- All relocation, transfer and transaction expenses (fees and duties) will either be waived by government or included in the contract price of the affected properties.
- Civil works shall not commence unless all compensation and relocation activities have been completed, and short-term financial assistance for loss of income has been paid.
- Cash compensation will not be taxable, and all fees and transaction costs to register property will be paid by the project owner.
• Given affected shops will have to move outside of the Project’s ROW, an allowance to effectively support their reestablishment and income loss will be paid.
• The mechanism established for project grievance redress will be utilized, as outlined in the Stakeholder Engagement Plan.
• This resettlement plan will be disclosed in an accessible place and form and monitored in line with the requirements of the ESF 2017.

A.6 ENTITLEMENTS & ASSISTANCE

All affected persons who are identified in the project-impacted areas on the cut-off date (date of census) will be entitled to compensation for their affected assets, and rehabilitation measures sufficient to assist them to improve or at least maintain their pre-project living standards, income-earning capacity and production levels. Those entitled for compensation for their losses associated with the Project are:

• Affected Persons losing structures, with or without legal status;
• Owners of buildings or other improvements attached to the land; and
• Affected Persons losing business, income, and salaries.

The entitlement matrix for those affected by Sub-component 1.1. is outlined below.

Table 04 Entitlement Matrix – Subcomponent 1.1.

<table>
<thead>
<tr>
<th>No</th>
<th>Type of Loss</th>
<th>Entitled Person</th>
<th>Entitlement</th>
<th>Implementation Issues</th>
</tr>
</thead>
</table>
| 1  | Shop structures (5) in Right of Way | Structure Owner | If nearby relocation by the project is not possible:  
• Replacement cost for structures  
• Relocation allowance  
• Assistance to find an alternative shop location as applicable | If vacant shop owner is not identified, compensation will be deposited in escrow. Alternatives to be explored by PMO |
| 2  | Businesses            | Business owner affected permanently      | • Cash compensation equivalent to 2 months for business income interruption to reestablish business elsewhere |                                                                                  |
| 3  | Business employee income loss (1) | All laid-off employees of affected shops | • Lost income allowance for 3 months of minimum wage                      |                                                                                  |
| 4  | Shop Renter (1)       | Lessee                                   | • Cash refund at rental fee rate and proportionate to duration of remaining lease period  
• Renter transitional allowance |                                                                                  |
| 5  | Playground equipment  | Asset Owner                              | • Option to have civil works contractor dismantle and relocate if space available at the premises  
• Civil works contractors will restore land upon completion of works. | Equipment cannot be reinstalled at current location for safety reasons |
| 6  | Guard Post Structure (1) | Commercial owner | The final detailed design will attempt to avoid the structure. If this is not possible, the following will apply given notice to vacate was in 2018 under law:  
• Right to salvage all materials  
• Informed well in advance of construction to remove structure or option to have contractor dismantle structure  
• If sufficient space within owners premises then option for contractor to relocate movable assets |                                                                                  |
<table>
<thead>
<tr>
<th>No</th>
<th>Type of Loss</th>
<th>Entitled Person</th>
<th>Entitlement</th>
<th>Implementation Issues</th>
</tr>
</thead>
</table>
| 7  | Vacant Canteen structure (1)                                                | Commercial owner                                     | The final detailed design will attempt to avoid the structure. If this is not possible, the following will apply given notice to vacate was in 2018 under law:  
  - Right to salvage materials  
  - Informed well in advance of construction to remove structure or option to have contractor dismantle structure  
  - If sufficient space within owners premises then option for contractor to relocate movable assets |                       |
| 8  | Car Park damages outside of ROW during construction (2)                     | Occupier                                             | • Compensated in cash based on negotiated agreement with affected entity in the event of damages outside of the ROW.  
• Affected entities will be assured continued access to residences and workplaces.  
• Civil works contractors will restore land upon completion of works. |                       |
| 9  | Vulnerable Household (4)                                                    | Vulnerable households as identified in socio-economic assessment | • Vulnerable household allowance, equivalent to three times the monthly minimum wage.                                                                                                                    |                       |
| 10 | Temporary Disturbance                                                       | Owner, possessor, unlicensed occupant of land         | • Temporary disturbances, including moving back of fences and civil works on land outside ROW, will be compensated in cash based on negotiated agreement with affected entities.  
• Affected entities will enjoy continued access to land and residences.  
• Civil works contractors will move fences and will restore land and fences upon completion of works. |                       |
| 11 | Unanticipated impacts                                                       | Affected household or entities                       | • Measures as per this entitlement matrix, project Resettlement Policy Framework, the Bank ESF and reported to World Bank upon identification |                       |

**A.7 RESETTLEMENT PLAN BUDGET**

The resettlement cost estimate for sub-component 1.1 includes compensation structures, assistance for rehabilitation, and cost for RP implementation. The budget has been prepared based on a rapid replacement cost survey by the borrower together with relevant authorities in October and November 2019. This included liaising with suppliers of construction materials in Ulaanbaatar, such as Soprema LLC and Khos Altan Ord, the 100 Ali Store; Twchee LLC and Buga Construction LLC. As well as quotations directly from Barilgiin Materials MN⁹, which provides quotations for all types of trade and construction materials, providing a comprehensive set of classified ads that combine thousands of ads in one place.

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⁹ [https://www.barilgiin-material.mn/aboutus](https://www.barilgiin-material.mn/aboutus)
MoE will make the funds available for the disbursement of compensation and assistance in 2020. Payments will be made by direct online transfer to individuals wherever possible, or otherwise issued with check/cash. Resettlement administration, staffing and monitoring costs have been included in support to the PMO by the project. The resettlement cost is estimated at MNT 36,015,000, see Table 05 below.

Unit rates applied were based on the following:

- **Corrugated Shop Structures.** Unit rates were based on the 400,000M2 MNT. Survey results demonstrated 61,000MNT per M2 to purchase sheets and roofing per the highest rates, not accounting for fixtures and other building costs. Construction companies (Buga Construction LLC, quoted 300,000 MNT per m2; and MNT 350 m2 quoted by Twchee LLC) for pre-made modular Tuts (shops) including door and windows.
- **Brick Building Structures: The unit rate of 500,000 MNT per square meter.** Survey results demonstrated 78,400 MNT per square meter per the highest rate to purchase bricks and was increased to account for roofing and other fixtures and building costs.
- **Allowances (vulnerable, employees)** are calculated at the rate of minimum wage (420,000 MNT per month attached Ministers decree from January 1, 2020, @ 3 months 1,260,000MNT) for each affected household.
- **Shop income loss coverage** was based on the highest reported monthly gross income of 600,000 MNT per month for two months (1.2M MNT).

Table 05. Resettlement Budget

<table>
<thead>
<tr>
<th>Unit Description</th>
<th>Unit</th>
<th>Unit Rate MNT</th>
<th>Unit Identified</th>
<th>Cost Estimate MNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shop Structures (corrugated) (4)</td>
<td>M2</td>
<td>400,000</td>
<td>37</td>
<td>14,800,000.0</td>
</tr>
<tr>
<td>Shop Structures (brick) (1)</td>
<td>M2</td>
<td>500,000</td>
<td>9</td>
<td>4,500,000.0</td>
</tr>
<tr>
<td>Shop relocation allowance</td>
<td>Owner</td>
<td>300,000</td>
<td>5</td>
<td>1,500,000.0</td>
</tr>
<tr>
<td>Shop income loss allowance (2 Months)</td>
<td>Owner</td>
<td>1,200,000</td>
<td>3</td>
<td>3,600,000.0</td>
</tr>
<tr>
<td>Lessee Transition Allowance (2 Months)</td>
<td>Lessee</td>
<td>600,000</td>
<td>1</td>
<td>600,000.0</td>
</tr>
<tr>
<td>Employee Allowance</td>
<td>Individual</td>
<td>1,260,000</td>
<td>1</td>
<td>1,260,000.0</td>
</tr>
<tr>
<td>Temporary Damages</td>
<td>LS</td>
<td>3,000,000</td>
<td>1</td>
<td>3,000,000.0</td>
</tr>
<tr>
<td>Vulnerable allowance (4) @3x minimum MNT wage</td>
<td>HH</td>
<td>1,260,000</td>
<td>4</td>
<td>5,040,000.0</td>
</tr>
<tr>
<td>Contingency (5% of total budget)</td>
<td>LS</td>
<td></td>
<td></td>
<td>1,715,000.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>36,015,000.0</strong></td>
</tr>
</tbody>
</table>

**A.8 RESETTLEMENT PLAN RESPONSIBILITIES & SCHEDULE**

MoE the executing and implementing agency will establish a Project Management Office for the implementation of the project including implementation of this resettlement plan. Given there will be no land acquisition under law and those affected are non-titled, the PMO will oversee the RP activities, including payments. The PMO will consist of technical, financial, procurement and safeguard staff. A social safeguard specialist, will be engaged to the PMO to oversee the implementation of this RP including the payment of all compensation as well as other social safeguard activities. The following schedule is proposed, based on successful procurement to start construction in 2021. If procurement is delayed, construction will occur in the summer of 2022.
### Table 06 Implementation Schedule

<table>
<thead>
<tr>
<th>Activity</th>
<th>Timeline Calendar Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional consultations with affected households and entities on RP provisions and support</td>
<td>November 2019</td>
</tr>
<tr>
<td>Disclose the Resettlement Plan</td>
<td>November/December 2019</td>
</tr>
<tr>
<td>Engagement of social specialist at the PMO</td>
<td>Q3 2020</td>
</tr>
<tr>
<td>Preparation of household mini plan (all compensation/allowances per HH)</td>
<td>Q3 2020</td>
</tr>
<tr>
<td>Payment of compensation and resettlement assistance</td>
<td>Q3-4 2020</td>
</tr>
<tr>
<td>Construction commencement estimate</td>
<td>Q2 2021*</td>
</tr>
<tr>
<td>Internal monitoring</td>
<td>Semi-annual</td>
</tr>
</tbody>
</table>

*If procurement enables a 2021 summer construction season, otherwise construction will commence in 2022 summer.

### A.9 RESETTLEMENT PLAN GRIEVANCE REDRESS

The project Grievance Redress Mechanism (GRM) is described in the Stakeholder Engagement Plan, this adapts the existing UBDHC procedure (hotline, in-person, written). This GRM is similarly applicable for this Resettlement Plan. Given the minor impacts articulated in this RP, major grievances are not anticipated and use of a local grievance mechanism already established for the project is favorable.

Level 1: Two phone numbers, the PMO and the 24/7 call centres will be advertised for project related complaints (through construction notice board, GRM brochure, letters to residents and facebook). Complainant’s can also give complaints in writing and in person as per UBDHC’s existing mechanism. Complaints from the call center will be issued directly to the PMO. If received out of working hours, the complaint will be issued to the PMO the next day. The PMO will then work with internal departments and/or the construction contractor to resolve the issue quickly, but in no less than 7 days will either resolve the issue or inform the complainant that their complaint has been forwarded to the 2nd level of the GRM.

Level 2 If the PMO cannot resolve the issue within 7 days, then it will be forwarded to the Ministry of Energy, Director General of Policy Coordination Department, who will review the complainant, such that it can be resolved within 15 days. If mediation is unsuccessful, or, at any time affected parties can file written or verbal grievances through the Mongolian Court system, in accordance with Mongolian laws and procedures.

*Figure 05 Project Grievance Redress Mechanism*
At any time, if the project grievance redress mechanism is considered inadequate for addressing concerns then the World Bank Grievance Redress Service and the World Bank’s Inspection Panel are avenues for appeal. Information on how to submit complaints to the World Bank’s corporate Grievance Redress Service (GRS), can be found at http://www.worldbank.org/GRS. Information on how to submit complaints to the World Bank Inspection Panel, can be found at www.inspectionpanel.org.

A.10 RESSETLEMENT MONITORING & REPORTING

Internal Monitoring will be the responsibility of the PMO. The implementation of the RP will be closely monitored. Regular monitoring activities will be carried out internally by the EA through the PMO to provide the Bank with an effective basis for assessing resettlement progress and identifying potential difficulties and problems. Given the minor impacts of sub-component 1.1, the following indicators will be monitored:

- # and % households (of total affected HHs) met with to discuss final entitlements
- % of affected households received mini plan
- Number of consultation/disclosure activities undertaken this period (6 months)
- % of total AHs received compensation payments.
- Amount and % of total compensation dispersed.
- # of agreements established with contractor for any temporary impacts during construction.
- Number of AHs with affected shops established at new locations

Involvement of those affected in monitoring activities will be explored by the PMO during RP implementation. Monitoring reports will be prepared and submitted by MoE to the Bank on a semi-annual basis and will include updates on the above resettlement related indicators. The monitoring report will be disclosed at the Bank website.

In terms of adaptive management, during implementation, the PMO safeguards staff will be working closely with engineers and the contractor; if unanticipated changes or impacts in the project arise, these will first be reported to the Bank task team and the appropriate arrangements or corrective actions developed.

After all resettlement activities are completed, RP implementation will be evaluated, likely in 2022. At this time, evaluation will consider if the objectives of the RP have been met, namely if Affected Persons are better off, or at least as well off, as before the project.
### A.11 LIST OF ALL AFFECTED

<table>
<thead>
<tr>
<th>Structure Type</th>
<th>Name of the Shop/Company</th>
<th>Owners Full Name</th>
<th>Location</th>
<th>Material type</th>
<th>Area m²</th>
<th>Construction year</th>
<th>Gross Profit per month</th>
<th>Net profit</th>
<th>Total Household income per month</th>
<th>Number of HH members</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Shop</td>
<td>Tsetsen Khairkhan LLC</td>
<td>Buyanjargal Lhagvabayar</td>
<td>Bayangol district, 3rd khoroo</td>
<td>Corrugated sheet</td>
<td>15 m²</td>
<td>2017</td>
<td>1,000,000</td>
<td>400,000</td>
<td>1,473,000</td>
<td>6</td>
</tr>
<tr>
<td>New vacant Shop</td>
<td>Unidentified Owner (new Tuts)</td>
<td>TBC</td>
<td>Bayangol district, 1st khoroo</td>
<td>Corrugated sheet</td>
<td>12 m²</td>
<td>2019</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>General Shop</td>
<td>Delger LLC</td>
<td>Odgerel D Sanjsuren</td>
<td>Khan-Uul district, 12th khoroo</td>
<td>Corrugated sheet</td>
<td>4 m²</td>
<td>2017</td>
<td>300,000</td>
<td>300,000</td>
<td>708,000</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Renter of Delger LLC</td>
<td>Yanjmaa Dorj</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>950,000</td>
<td>250,000</td>
<td>850,000</td>
<td>3</td>
</tr>
<tr>
<td>Bayankhangai Empty Shop</td>
<td>Unidentified owner</td>
<td>TBC</td>
<td>Khan-Uul, 3rd khoroo</td>
<td>Brick</td>
<td>9 m²</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tire Shop</td>
<td>Nyamkhuu’s tire shop</td>
<td>Nyamkhuu Tserendash</td>
<td>Khan-Uul, 3rd khoroo</td>
<td>Corrugated sheet</td>
<td>6 m²</td>
<td>2017</td>
<td>1,000,000</td>
<td>600,000</td>
<td>1,300,000</td>
<td>8</td>
</tr>
<tr>
<td>Playground</td>
<td>Apartment Owners Association 9A, 999SUKH</td>
<td>-</td>
<td>Khan-Uul district, 3rd khoroo</td>
<td>Iron Fence, soft flooring, play equipment</td>
<td>30 m²</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Security Guard Post</td>
<td>Tumur Beton LLC</td>
<td>-</td>
<td>Khan-Uul, 3rd khoroo</td>
<td>Brick</td>
<td>25.5 m²</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Vacant Cafeteria</td>
<td>City Taxi LLC</td>
<td>-</td>
<td>Khan-Uul, 3rd khoroo</td>
<td>Brick</td>
<td>35 m²</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Car Park</td>
<td>Altai Khoton (Apparments)</td>
<td>-</td>
<td>Khan-Uul, 3rd khoroo</td>
<td>Asphalt</td>
<td>300 m²</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Car Park</td>
<td>Bars Impex LLC</td>
<td>-</td>
<td>Bayangol, 1st khoroo</td>
<td>Asphalt</td>
<td>200 m²</td>
<td>-</td>
<td>-</td>
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</tr>
</tbody>
</table>
## Resettlement Consultation Meetings & Photos

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Topics</th>
<th>When</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directly affected shops and playground owner in refurbishment right of way (Byanjargal L., Unursetseg - Altai Tushig LLC, Odgerel - Delger LLC, Nyamkhuu- Tire Shop, Renter Yanjmaa)</td>
<td>One -one meetings on project impacts and support needed; including census and inventory of losses</td>
<td>October 03, 11; November 13 2019.</td>
</tr>
<tr>
<td>Head of Project Management and Regulation Department (UB City)</td>
<td>Urban development projects in Ulaanbaatar, heating expansion priority areas and project coordination</td>
<td>9 September 2019; November 13 2019</td>
</tr>
<tr>
<td>Deputy Head of Department of Housing Infrastructure (UB City)</td>
<td>Urban development projects in Ulaanbaatar, heating expansion priority areas and project coordination</td>
<td>9 September 2019; November 13 2019</td>
</tr>
<tr>
<td>Coal Heating Plan (CHP) 3</td>
<td>Project coordination; utility disruption management in refurbishment area</td>
<td>November 13, 2019</td>
</tr>
<tr>
<td>UB City Vice Mayor</td>
<td>Project development</td>
<td>November 14, 2019</td>
</tr>
<tr>
<td>Kindergarten (Khan-ull District) Director</td>
<td>Project information, project construction during summer when kindergarten closed, advised on safety of outdoor playground (not recommended for children).</td>
<td>November 13, 2019</td>
</tr>
<tr>
<td>Apartment Owners Association (playground) Office Staff</td>
<td>IoL activity, advised on safety of outdoor playground (not recommended for children) and option to use contractor to un-install</td>
<td>October 03 2019, November 20th, 2019</td>
</tr>
</tbody>
</table>

Consultation/Census, October 3, 2019, Altai Tushig LLC after measures taken together with project engineers this structure is no longer considered affected.
Consultation/ Census, October 3, 2019
Tsetsen Khairkhan LLC

Cut Off Date Announcement– Posters on Pipeline (Nov 15, 2019)
Khan-Uul, 3rd khoroo

Khan-Uul district, 12th khoroo
Khan-Uul district, 3rd khoroo

Notices to Remove Structures in 2018 (Pre Project)

City Taxi LLC – vacant cafeteria, notice to remove structure 31 May 2018.