



Asian Development Bank

REVIEW AND ASSESSMENT REPORT

OF THE

SPECIAL PROJECT FACILITATOR

ON

**Complaint on Loan Nos. 3098/3099 and Grant 0380-MON: Ulaanbaatar Urban Services
and Ger Areas Development Investment Program – Tranche 1
Project No. 45007-004**



July 2018

This document is being disclosed to the public in accordance with ADB's Public Communication Policy 2011.

ABBREVIATIONS

ADB	Asian Development Bank
AP	affected people
EARD	East Asia Department
EIB	European Investment Bank
GRM	grievance redress mechanism
km	kilometer
LAR	land acquisition and resettlement
LARP	land acquisition and resettlement plan
NGO	nongovernment organization
MFF	multitranche financing facility
MNT	Mongolian Tughrik
MOU	memorandum of understanding
MUB	Municipality of Ulaanbaatar City
OSPF	Office of the Special Project Facilitator
PMO	project management office

CONTENTS

	Page
I. BACKGROUND	1
A. The Project	1
B. The Complaint	2
C. Determination of Eligibility	3
II. REVIEW AND ASSESSMENT	3
A. Objectives and Methodology	3
B. Identification of Stakeholders	3
C. Assessment of Issues	4
III. AGREED COURSE OF ACTIONS AND NEXT STEPS	6
APPENDIXES: 1. Complaint Letter	8
2. OSPF's Acknowledgment Letter	13

I. BACKGROUND

A. The Project

1. The proposed Ulaanbaatar Urban Services and Ger Areas Development Investment Program (the Project) will support the Ulaanbaatar City master plan in upgrading priority service and economic hubs (subcenters) in *ger* areas. The Government of Mongolia and Asian Development Bank (ADB) signed a loan agreement to implement the Project through multitranche financing facility (MFF) program. The investment program will be implemented over 9 years and will comprise three tranches. Combining spatial and sector approaches, it proposes an integrated solution to respond to the growing demand for basic urban services and develop subcenters as catalyst for growth in the *ger* areas. The program involves financing core urban infrastructure and basic services in priority road sections, investments in socioeconomic facilities based on communities' needs, and the improvement of service providers' operation management. The program will also support (i) community participation, awareness, and empowerment; (ii) urban planning and subcenter development; (iii) extensive on-the-job training in project management and implementation; and (iv) sector reform initiatives necessary to support the program road map and policy framework.

2. The expected impact of the investment program will be improved living conditions in Ulaanbaatar. The expected outcome is a network of livable, competitive, and inclusive subcenters in Ulaanbaatar's *ger* areas.

3. The first tranche of the MFF program will support the city master plan in developing the Selbe and Bayankhoshuu subcenters. The two priority areas are planned to become the main centers in the northern mid-*ger* area, aiming to deliver urban and socioeconomic services to a current combined population of over 200,000 people. The main components to be financed are (i) sewerage network extension from the nearest terminals of the existing city sewerage system: (a) 3.5 kilometers (km) collector main for Bayankhoshuu and 2.6 km for Selbe, (b) sewerage pumping station along with 2 km of sewer pipe extension and 0.9 km of sewer pressure pipe in Selbe, and (c) connection to the public facilities located along the road corridor and within each subcenter; (ii) road and urban services: (a) 15 km of combined priority roads; (b) 18.6 km of water supply, 20 km of wastewater, and 21 km of district heating network pipes; (c) sidewalks, drainage, flood protection, waste collection facilities, public space, lighting, and urban furniture; and (d) five heating facilities using most suitable state-of-the-art environmentally friendly technologies; (iii) social and economic facilities like two kindergartens, 8–9 hectares of green areas, and small squares and two business incubator centers associated with two vocational training centers; (iv) multi-interventions in the Ulaanbaatar Water Supply and Sewerage Authority to improve the central wastewater treatment plant and drinking water supply network, improve local control, and central operational control systems, improve water pumping system, implement a domestic and industrial water metering program, and install remote controlled flow-meters for nonrevenue water management; and (v) institutional strengthening and capacity development for (a) detailed design and construction supervision for the water supply and wastewater collection systems, municipal infrastructure, and heating services; (b) community participation, awareness, and empowerment, and small and medium enterprises development; (c) capacity building and institutional strengthening for urban planning and subcenter development; (d) program management office (PMO) to strengthen program implementation capacities; and (e) service provider institutional and regulatory reforms.¹

¹ ADB. 2013. *Initial Environmental Examination - Mongolia: Ulaanbaatar Urban Services and Ger Areas Development Investment Program (MFF, Project 1)*. Manila

4. The Project was approved on 17 December 2013. The safeguard categories are A for involuntary resettlement, B for environment; and C for Indigenous People.² According to the two land acquisition and resettlement plans (LARPs) prepared for Selbe Subcenter Roads and Infrastructure Component and Bayankhoshuu Subcenter Water Reservoir and Water Supply Component, the Project is affecting 825 landowners (1,400 households) – including 342 fully affected and 458 partially affected.³

5. Table below presents the Project's source of funding:⁴

Grant 0380-MON: Ulaanbaatar Urban Services and Ger Areas Development Investment Program - Tranche 1	Urban Environmental Infrastructure Fund under the Urban Financing Partnership Facility	US\$ 3.70 million
Loan 3098-MON: Ulaanbaatar Urban Services and Ger Areas Development Investment Program - Tranche 1	Ordinary capital resources	US\$ 27.50 million
Loan 3099-MON: Ulaanbaatar Urban Services and Ger Areas Development Investment Program - Tranche 1	concessional ordinary capital resources lending/Asian Development Fund	US\$ 22.50 million
Loan: Ulaanbaatar Urban Services and Ger Areas Development Investment Program - Tranche 1	European Investment Bank	US\$ 28.38 million
Counterpart financing	Municipality of Ulaanbaatar City	US\$ 22.4 million

B. The Complaint

6. A group of 31 Project affected people (AP) supported by Oyu Tolgoi Watch, Zurgan Buudal, and Land Acquisition and Citizens' Rights and Interests submitted the complaint (Appendix 1) to ADB. The complaint, received by the Office of the Special Project Facilitator (OSPF) on 28 March 2018, requested problem-solving under the ADB's Accountability Mechanism Policy.⁵ The OSPF acknowledged receipt and registered the complaint on 3 April 2018 (Appendix 2). The Complainants alleged damages and negative impacts from the land acquisition and property valuation of the Project, including concerns about "their rights are severely violated in the process of land and property valuation for compensation for land acquisition and requested to resolve the following negative impacts on the complainants:

- lack of social impact assessment & meaningful consultation in the process of developing the project & announcement of land acquisition notice without due preparations has caused damages to affected persons;
- lack of consultation on the methodology of valuation;
- information not disclosed, not accessible, deceiving/misinforming citizens;
- lack of official relationship and documentation;

² <https://www.adb.org/projects/45007-004/main#project-pds>

³ <https://www.adb.org/projects/45007-004/main#project-documents>

⁴ <https://www.adb.org/projects/45007-004/main#project-pds>

⁵ <http://www.adb.org/site/accountability-mechanism/problem-solving-function/problem-solving-process>

- ADB & European Investment Bank (EIB) safeguards policies have not been complied with;
- land acquisition process carried out in the winter season;
- using pressure and intimidation;
- the Oversight Committee responsible for protecting APs' interest is not fulfilling its mandate; and
- provoking conflict between neighbors & family members.”⁶

7. The same complaint was lodged with the complaints mechanism of the EIB, a Project cofinancier.

C. Determination of Eligibility

8. To determine the eligibility of the complaint, the OSPF did a desk review of the Project documents and the Special Project Facilitator conducted an initial fact-finding mission from 7-9 April 2018. The Project area, including the road alignment which affects many of the Complainants, was visited, meetings were held with Complainants; other community members affected by the Project who volunteered to provide feedback on the Project impacts; Municipality of Ulaanbaatar City (MUB); the Project's PMO; and ADB Project staff from East Asia Department (EARD) and Mongolia Resident Mission (the resident mission). A barrier in progressing was the fact that Complainants refused to provide their names/addresses to the PMO. On this basis, it was agreed that it is important to make the complaint eligible for problem-solving and to mobilize OSPF staff and a local consultant as soon as possible so that negotiations with the Complainants can be initiated. The complaint met OSPF's eligibility requirements and was declared eligible for problem-solving on 12 April 2018.

II. REVIEW AND ASSESSMENT

A. Objectives and Methodology

9. A review and assessment mission was undertaken by OSPF staff in Ulaanbaatar, Mongolia, from 27 April to 3 May 2018. A local mediation facilitator was on board 17 April 2018. The objectives of the Mission were (i) to explore the history of the complaint and better understand the issues; (ii) confirm the key stakeholders and facilitate a dialogue between them; (iii) map out perspectives and explore stakeholders' readiness in joint problem-solving; and (iv) recommend next steps and course of actions. The review and assessment also included (i) documentation review; (ii) one-on-one and group interviews with the Complainants and PMO; (iii) workshops; and (iv) a roundtable discussion. The workshops were organized to consult and inform communities in Selbe and Bayankhoshuu areas on the safeguards policies and Mongolian law on land valuation. The roundtable discussion included representatives from the MUB working group, ADB Project staff, and the PMO with the purpose of clarifying issues of concern and explore potential agreeable actions to move forward in the problem-solving process.

B. Identification of Stakeholders

1. The Complainants

10. The formal Complainants are the 31 signatories to the complaint letter, who are AP from Selbe and Bayankhoshuu communities. However, during the review and assessment stage, there was an increase in the number of Complainants to 110 AP.

⁶ Excerpt from an original complaint filed on 28 March 2018 with the Office of the Special Project Facilitation, Asian Development Bank.

11. **Representation.** In the letter to OSPF, the Complainants stated that their complaint was prepared with the support of two nongovernment organizations (NGO)—Oyu Tolgoi Watch, Zurgaаn Buudal, and Land Acquisition and Citizens' Rights and Interests NGO and requested their representation on behalf of the Complainants.

12. **Confidentiality.** Although the Complainants requested confidentiality in the complaint letter, they agreed that their names to be released to the PMO through OSPF's local mediation facilitator during this phase on 19 April 2018.

2. The Complainants' Representative

13. Oyu Tolgoi Watch, Zurgaаn Buudal Residents' Rights & Interests Protection Federation NGO and the Citizens' Rights and Interests in Land Acquisition NGO supported the Complainants in drafting the complaint and participated in several meetings including during eligibility assessment mission by OSPF. Their role was to provide advice and guidance to the Complainants regarding ADB policies and procedures.

3. Government Agencies

14. Agencies involved in making decisions are the (i) Project's executing agency, MUB, and (ii) Project's PMO.

4. ADB East Asia Department and Mongolia Resident Mission

15. The ADB's EARD and the resident mission are responsible for the administration of the Project. The Project officer is based in the resident mission, and implements, administers the Project and provides advice and guidance to PMO.

C. Assessment of Issues

Land and Property Valuation

16. The Complainants expressed dissatisfaction with the valuation process and the methodology of land, property, and assets. Several plots were being divided with compensation for half the plot or two-thirds of the plot making the living area untenable. The land is devalued and should be more than 45000 Mongolian Tughrík (MNT)/M² in Bayankhoshuu and 60,000 MNT/M² in Selbe since they cannot buy a plot elsewhere with the same size at the price that is being used for calculating the compensation. Some Complainants alleged that in 2012, government informed people not to improve property and, hence, they suffered opportunity loss by not doing anything to improve. There were multiple dwellings/households (who are non-title holders) on a single plot but only title holder and asset owners were compensated which led to arguments and conflicts between family members and neighbors. There were issues such as no options for replacement/alternate land being offered for people to choose, valuation of the land, and assets had not been done in consultation/negotiation with the Complainants, valuation results have been imposed, and compensation was paid in 60/40 percent installments after the Complainants vacated the land.

Livelihood Restoration

17. The Complainants alleged or claimed that the compensation amounts offered did not include loss of income and economic/livelihood opportunities, including lack of consultation with AP on the livelihood restoration plan that was included in the resettlement plan. AP expressed

frustration and requested such losses be assessed and compensated for social and economic displacement in accordance with the principles of the ADB's 2009 Safeguard Policy Statement. The NGO representatives emphasized that such programs must be channeled to two programs: (i) program to help vulnerable people to receive their entitled government benefits and social care services and (ii) program to help AP with commercial and business establishments to restore their business at the resettled location.

Communication and Consultation

18. The Complainants alleged that there has been no consultation about the Project. There was a little or no information to AP on how compensation was being calculated, including the methodology for valuation. The draft LARP in Mongolian language for tranche 1 was not posted on the ADB website and in this context, AP alleged that there had been no consultation. The AP have been trying to communicate their concerns on land valuation and the compensation offered with the land agency, PMO, and relevant project stakeholders. Despite many letters and discussions, the dispute continues between the residents and PMO. PMO informed that the draft LARP hasn't been finalized yet and therefore it is not uploaded on the ADB website, whereas, the updated land acquisition and resettlement framework for tranche 1 was uploaded. PMO also expressed that they have organized the public consultation meetings with the following information was distributed to the attendees: (i) the Project and its progress, (ii) general information on ADB's safeguard policy statement and principles, resettlement framework, entitlements, eligibility, compensation valuation (full replacement value), GRM, the land acquisition and resettlement (LAR) implementation procedures, cut-off date, Mongolian legislation, etc., and (iii) subcenter subprojects and scope of LARs.

Grievance Redress Mechanism

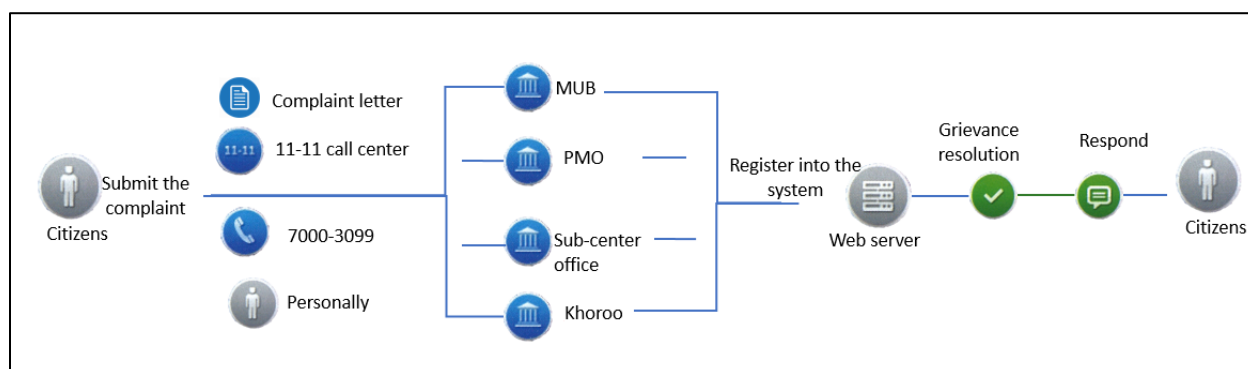
19. The Complainants and NGOs expressed disappointment with the lack of appropriate and timely response from the grievance redress mechanism (GRM) staff and questioned the effectiveness of the Project's GRM. According to the PMO, the Project's GRM (Figure 1) was designed to provide an effective and systematic manner to respond to queries, feedback, and complaints from APs and other stakeholders. The mechanism was meant to function as follows: there is an online (e-system) that registers and processes a complaint when a complaint letter is submitted to PMO. The e-system is centrally managed by MUB. When a complaint letter is sent to PMO, the PMO takes two weeks to acknowledge to the complaint. After this, the PMO works with the relevant agency to resolve the issue. If the PMO is unable to resolve, it is escalated to the next level of the GRM, which is MUB and/or ADB Project team. According to the agreed GRM, the time for grievance resolution is 30 days. If after this intervention and APs are not satisfied with the solution, they may pursue further action in the appropriate court of law. This e-system is limited to grievances being logged into a database which tracks the process of receiving the complaint, possible actions taken, and the closing of the complaint. However, there are no clear procedures or timelines in handling complaints. Staff handling complaints have not been trained in complaint handling, either which explains why complaints take a long time to be resolved. ADB Project team expressed that the PMO, in fact, is following entirely the MUB complaint handling system but not the GRM of the Project as set in the resettlement framework. However, the GRM as described in the resettlement framework (RF) is not functioning as it should, and the reasons expressed by the stakeholders were as follows:

- (i) The LAR working group is not functioning well. This working group is headed by the Vice Mayor; however, it is not clear if this Vice Mayor is still the head of the working group or the Head of Strategic Planning Department of MUB.
- (ii) Many of the complaints were related to land price and issues such as allocation of land and compensation amounts (AP who have very small land parcels with almost no structures and therefore the total compensation amount is very low which will

not be sufficient to purchase replacement land, etc.). These were issues that PMO cannot decide and referred Complainants to go to MUB and Land Agency which made Complainants felt that PMO was not resolving the issues themselves.

- (iii) According to the GRM outlined in the RF, the above issues should be resolved at the highest level, i.e. at the Vice Mayor's level, guided by the PMO. Whereas in reality, the PMO forwarded these to MUB and Land Agency and referred the Complainants to work with them directly instead of working through all the four steps, as described in the RF. This is because the PMO neither had the competency nor the power to handle these issues and, therefore, the Complainants had to file the complaint again with MUB or Land Agency which created additional burden to them and distrust the system.
- (iv) Although Complainants reached out to PMO and MUB multiple times, there was delay in reaching to a mutually acceptable solution and, hence, Complainants reached out to ADB's Accountability Mechanism.

Figure 1: Grievance Redress Mechanism Process of the Project



III. AGREED COURSE OF ACTIONS AND NEXT STEPS

20. Based on in-depth discussions with all stakeholders, the OSPF concluded that the complaint could be resolved through the problem-solving process, involving more consultations, joint meetings, and continued dialogue among stakeholders. There was a broad acknowledgment that the complaint issues were legitimate and should be addressed. All stakeholders interviewed for the review and assessment were willing to participate in meetings or other forums, with the Complainants, to address issues and solve problems. The OSPF recommended all the stakeholders to keep the process participatory, fair, and consultative.

21. The ADB Project team was already in the process of carrying out due diligence on land acquisition and resettlement, including discussions on how to improve overall resettlement implementation with the PMO, MUB, and Land Agency and identify actions to resolve the issues. A Project Task Force, headed by the MUB, was established on 23 March 2018. In parallel, it was noted that the Project AP initiated a land and property revaluation process on sample plots. Two orientation sessions on ADB Safeguards Policy Statement and Mongolian law on land valuation were conducted by the ADB Project team to both the Complainant communities during the OSPF review and assessment initial mission from 27 April to 3 May 2018 to help them make informed decisions, and it was assured that these sessions will continue in the future for all the other relevant stakeholders.

22. During the same Mission, a round table discussion was conducted with participants from PMO, ADB Project team, and MUB working group facilitated by OSPF. The MUB, in principle,

agreed to the proposed measures to address the key issues from the Complainants, such as (i) options for replacement land for non-land owners; (ii) partial land acquisition does not leave the plot unviable for the residents; (iii) option for replacement land with small plots title holders with small plots and non-title holders; (iv) livelihood restoration; and (v) process for revaluation of land and assets. It was decided that these issues will be further fleshed out in detail together with all the stakeholders and built into a memorandum of understanding (MOU) between Complainants, NGOs, ADB Project team, MUB, and the PMO. Moving forward, it was agreed that the OSPF local mediation facilitator will facilitate the joint meetings among stakeholders to flesh out the MOU and support on a day-to-day basis in this complaint resolution process.

23. The OSPF agreed with the Country Director of the resident mission and ADB Project team to pursue discussions with MUB to maintain the momentum and is committed to continue providing support to resolve the problem. This completes the review and assessment of the problem-solving process and OSPF will move forward to the next stage.

Appendix 1: Complaint Letter

Unofficial translation

SECRETARY GENERAL
EUROPEAN INVESTMENT BANK
98-100, boulevard Konrad Adenauer
L-2950 Luxembourg
(+352) 43 79 1
(+352) 43 77 04

ASIAN DEVELOPMENT BANK
ACCOUNTABILITY MECHANISM
Accountability Mechanism Asian Development Bank
6 ADB Avenue, Mandaluyong City 1550
Metro Manila, Philippines
+632 632 4444 ext 70309
+632 636 2086 [Email contact form](#)

Request for Solving Problems caused by
ADB, EIB projects

We, the under signed project-aggrieved people residing at [REDACTED] falling under the ADB and EIB "Selbe" and "Bayankhoshuu" projects. Our personal and contact details are enclosed to this complaint. Please contact us through our co-complainants and individuals authorised to directly communicate with you in English - Mr. S. Ganpurev, "Citizens Rights and Interests in Land Acquisition" Federation and Ms. D. Sukhgerel, Oyu Tolgoi Watch NGO.

Address: Chingeltei District, Horoo 16, Sogootyn 58-740,
Ulaanbaatar, Mongolia
Email: ganpurev.s@yahoo.com
Mobile: 976-89993577.

Address: Oyu Tolgoi Watch NGO, Baga Toiruu, 44-204,
Ulaanbaatar, Mongolia
Email: otwatch@gmail.com
Mobile: 976-98905828.

Request to NOT disclose our names and personal information: We kindly request that names and personal information and contact details of complainants other than S. Ganpurev "Citizens Rights and Interests in Land Acquisition" Federation and D. Sukhgerel, Oyu Tolgoi Watch NGO authorised as first line of communication with you not to be disclosed for security reasons.

Request to resolve the problems: The Asian Development Bank (ADB) and European Investment Bank (EIB) are financing together the "Ulaanbaatar Urban Services and Ger Areas Development Investment Program" consisting of several phases. The process of valuation of our land and property for compensation for land acquisition has began and our rights are being severely violated in this process.

Project information as found on website¹:

Sovereign (Public) Project | 45007-005 Ulaanbaatar Urban Services and Ger Areas Development Investment Program - Tranche 2. Mongolia

Project Status Approved

¹ Note that this project is not listed in the first page of ADB projects in Mongolia
<https://www.adb.org/countries/mongolia/main>

Project Type / Modality of Assistance Loan
 Source of Funding / Amount
 Loan 3525-MON: Ulaanbaatar Urban Services and Ger Areas Development Investment Program - Tranche 2
 Ordinary capital resources US\$ 37.11 million
 Loan 3526-MON: Ulaanbaatar Urban Services and Ger Areas Development Investment Program - Tranche 2
 Concessional ordinary capital resources lending / Asian Development Fund e US\$ 29.24 million
 Loan: Ulaanbaatar Urban Services and Ger Areas Development Investment Program - Tranche 2
 European Investment Bank US\$ 19.64 million

Tranche 2 of the multitranche financing facility will (i) extend the urban infrastructure upgrading and spatial restructuring to two additional subcenters in the northern ger areas, namely Dambadarjaa and Denjiin, and provide additional investments in Selbe and Bayankhosuu subcenters under Tranche 1; (ii) support the delivery of socioeconomic facilities; and (iii) further improve institutional strengthening and capacity building.

Sovereign (Public) Project | 49169-001

Project Name Ulaanbaatar Affordable Housing and Urban Renewal Project
 Project Number 49169-001
 Country Mongolia
 Project Status Active
 Project Type / Modality of Assistance Technical Assistance
 Source of Funding / Amount
 TA 9030-MON: Ulaanbaatar Affordable Housing and Urban Renewal
 Japan Fund for Poverty Reduction US\$ 1.00 million

Description

Strategic fit. The government and the MUB requested Asian Development Bank's (ADB) support to formulate a project that will (i) translate the existing Affordable Housing Strategy (AHS) into implementable plans, investments, and institutional reforms; (ii) increase the supply of AH; and (iii) enhance city livability through the construction of well-integrated and resource-efficient solutions in strategic locations in the ger areas. This will support the Ulaanbaatar City Master Plan. The project will build on existing ADB projects aiming to integrate and upgrade the ger areas and transform Ulaanbaatar into a more inclusive city; and will also build on prior ADB Housing Sector Finance Project and housing loans to the very poor. The project is consistent with ADB's interim country partnership strategy for Mongolia, 2014-2016 as well as with the core themes of green, competitive, and inclusive cities of ADB's Urban Operational Plan.

Potential damages and negative impacts on us: The land acquisition process is negatively affecting us in the following ways:

1. **Lack of social impact assessment and meaningful consultation in the process of developing the project and announcement of land acquisition notice without due preparations has caused damages to us.** First announcement of land acquisition and advice not to build new buildings, start new economic/business activities, sell or otherwise change current status was made in 2012 and stalled our lives for 6 years. Later in 2016 an official notice was issued still without timeline and status of the project. The process of land and property valuation started in October 2017. While the PMO reports that series of discussion were carried out true information about potential negative impacts on our livelihoods was not given and our support for the project was gained through promoting the project's benefits.
2. **Lack of consultation on the methodology of valuation, on who, when and how will value our land and property.** At the time "Selbe" sub-project began there was no consultation with the owners and tenants of their khashaas². Instead of market values they have pushed unilaterally set prices rejecting negotiation option and have made many households to sign the valuation papers using threats such you will lose if do not accept, 70% have accepted and they have the right to evict remaining households. Our assets, homes are being arbitrarily

² A fenced in land of up to 0.7 ha with house and/ger dwellings of owners and their extended family.

under measured and valued proposing compensation that cannot support our livelihoods in the future.

3. **Information not disclosed, not accessible:** A full information about this project, environmental and social impact assessment report, especially the report of assessment of how this project will impact us and resettlement action plan have not been disclosed and/or distributed to us.
4. **Deceiving/Misinforming citizens:** True information is not accessible. Deceiving community members by giving misleading information like “everyone but you have signed” and lack of information regarding the timeline and financing schedule of the project has led to signing and moving in the cold of winter, which is a violation on Mongolian law.
5. **Lack of official relationship and documentation:** PMO, land acquisition unit, municipality land official involved in this project do not introduce themselves. The agreement on the land and property valuation is printed on a small piece of paper bearing no name, signature or stamp. No copy of the agreement of property valuation signed by us is provided to us. These are the many ways our rights and laws are being violated by this project.
6. **We think that the ADB and EIB safeguards policies have not been complied with:** When we raised unlawful action the PMO informed us that Mongolian laws do not apply to this project, that they are working under the ADB safeguards policy requirements but did not disclose those to us in understandable and accessible manner. The fact that the PMO and municipality land acquisition unit claim that what will happen to us beyond land acquisition is our own problem evidences the fact livelihood restoration requirement is not complied with. Our livelihood activities and income created by these are not being valued: seized family production, lost access to small business space and jobs created for vulnerable people. Damage is being caused by not complying with the safeguards policies relating to women, especially single headed households, women’s small business and interests of other vulnerable groups have not been addressed, there is no program to assess and mitigate impact on vulnerable groups. Little monetary compensation provided only to land title owners is in violation of the ADB and EIB policies. We are in process of organizing a women’s group and articulate separately the hardship that will be faced by women in this process.
 There are -16 single mother headed households
 -23 senior households
 -9 households headed by persons with disabilities
7. **Land acquisition process carried out in winter season:** The land acquisition unit started the land and property valuation work in October 2017 which is in violation of the policies relating safety and security of citizens. There is a case of a household moving out on February 15 (eve of Lunar year) to evidence such violation. As of today, 3 households fully (100 %) vacated their land, 10 families have been forced to agree and valuation agreement and move to a temporary housing but have not received their compensation. Additional 20-30 households signed agreements but have not received a copy of contract with no information on the compensation. On March 20, 2018, after the meeting with PMO and municipality land acquisition unit several families received 60% of compensation.
8. **Using pressure and intimidation:** Constant phone calls, getting people out of home one by one and misinforming using common statements like: “your neighbours have signed, so you should sign, too”, “if you do not relinquish your land it will be taken without compensation” They are intimidating us with statement that they have the right to evict us.
9. **The Oversight Committee (UN Habitat) responsible for protecting our interest is not fulfilling its mandate:** on the contrary they are pressuring us to accept the valuation pushed upon us. They are also crating conflict between those to affected and those not to be affected (beneficiaries).
10. **Provoking conflict between neighbours and family members:** Your neighbour not agreeing/signing is delaying your compensation” is commonly used to create conflict between neighbours. The little compensation for undervalued land and property is creating infight among household members for the compensation.

Previous attempts to resolve problems with ADB management: Please note that the project complainants did not have any information about the EIB's role in this project.

Since 2015 attempts were made to obtain relevant information in the Mongolian language with details about the project's activities to be implemented in our horoos. Calls to the ADB resident mission would receive immediate answer "all information is available on our website". Later attempts to get an appointment were answered: "Arnaud is not in town", "Arnaud is busy" and "Arnaud does not meet with Mongolians, talk to Batjargal". No information on the environmental and social impacts assessment reports and resettlement plans developed in a language and format understandable to us, affected community was provided by the project. We have approached individually the PMO and all level relevant offices of the municipality with written and oral complaints regarding the valuation processes but no action was taken to address our concerns.

Because attempts to resolve issues with the ADB's PMO and attempts to obtain information from the ADB resident office did not bear any results, in mid-2017 we approached Amnesty International in Mongolia and were able to raise awareness to our issues among human rights organizations. Amnesty Mongolia is working with the local community groups negatively affected and made homeless by the ADB and other IFIs funded Ulaanbaatar development projects and associated facilities. We have joined these groups requesting protection of our rights. Please find Amnesty International report at this link:

<http://www.amnesty.mn/files/publications/220760151278233157820315100373675958579406.pdf>

While attending the march 12-13, 2018 International Accountability Mechanisms outreach event we learned that CEE Bankwatch and OT Watch were going to meet with ADB officials on march 14 and had requested them to convey our concerns to them. The next day on March 15, 2018 ADB Resident Representative Iolanda Fernandez Iommen, Project Manager Arnaud Heckmann and Senior Social Sector Officer L Itgel met with us. They were shocked that it is the first time they are hearing about these problems and suggested to organize a meeting with all project implementing entities.

When we met on March 19th with all project implementing entities and involved personnel organized at the ADB's GADIP project conference room, their key message and position was that the project implementation status is satisfying; the usual pitch about need for citizens to support a public good project and reminding not to disseminate misleading information about it to public; that there is no possibility to change already approved engineering plans; reminding that the construction season starting soon will have to be observed; outright rejection and no recollection of their own words and behaviour demanding to accept valuation prices when testimonies were given. The meeting ended with a request to collect all issues and problems and wants of all households with names, contact details, ID numbers for the PMO and municipality project unit to raise the issues with their leadership and attempt to propose solutions. The project implementers have no decision-making powers on land issues. Because no one responded to the question asked twice about who will provide assurance that people whose testimonies with personal details will be handed over to the implementers will not be harass complainants decided not to hand over the testimonies immediately. Ulaanbaatar city development project started with ADB assistance in 2013 have already caused damage leading some to homelessness and have not been resolved to date. In addition, the above positions expressed by the project implementers is seen as no desire to comply the ADB and EIB safeguards policies and thus we request that these violations are investigated and problems are resolved in the following manner:

1. Develop land and property valuation methodology in consultation with the affected community and in compliance with the international standards; approve by consensus. Ensure participation of owners of land property that is subjected to valuation process;
2. The compensation methodology should include calculation of damage to or loss of livelihood economic activity, family production, jobs created by family microbusiness, in cases of resettlement the cost having to travel farther to school, kindergarten, hospital and workplace

in accordance with the standards set in the ADB, EIB safeguards policies and protections for vulnerable groups, women, elderly and disabled persons;

3. Void valuation agreements signed as result of deceitful misinformation, pressure and intimidation;
4. Re-evaluate the land and property of people already evicted to provide decent compensation and remedy for lost opportunities;
5. Provide remedy for lost opportunity for stalling our livelihoods since 2012, and further damages caused since 2016 notice of eviction and 2017 project process;
6. Include no less than one member from each affected community in the Oversight Committee, ensure they have an equal say in the decision-making process.
7. In the case that there was no social impacts assessment – carry out a social impact assessment compliant with the Banks standards, including a gender impact assessment with the participation of the women's group.

The supporting documents and testimonies of some people affected by the ADB, EIB projects is provided via a Dropbox file at this link A list of signatories to this complaint is also provided and is inalienable part of this complaint.

Co-complainants,
Communications representatives:

S. Ganpurev

D. Sukhgerel

Appendix 2: OSPF's Acknowledgment Letter



Office of the Special Project Facilitator

3 April 2018

Mr. S. Ganpurev

Citizens Rights and Interests in Land Acquisition Federation
Chingeltei District, Horoo 16, Sogootyn 58-740,
Ulaanbaatar, Mongolia
ganpurev.s@yahoo.com | 976-89993577

Ms. D. Shukgerel

Oyu Tolgoi Watch NGO, Baga Toiruu, 44-204,
Ulaanbaatar, Mongolia
otwatch@gmail.com | 976-98905828

Subject: Complaint on Loans 3098-3099 and Grant 0380-MON: Ulaanbaatar Urban Services and Ger Areas Development Investment Program - Tranche 1
—Acknowledgment Letter

Dear Mr. S. Ganpurev and Ms. D. Shukgerel,

The Office of the Special Project Facilitator (OSPF) hereby acknowledges your complaint we received from the Complaint Receiving Officer on 28 March 2018 and will register it on our Complaints Registry.

I will be holding a fact-finding mission from 7-9 April 2018 in Ulaanbaatar, Mongolia. I would be glad to meet with you and the rest of the complainants to better understand the issues raised in the complaint. Please let me know your availability to meet. For your information and reference, find attached brochure (in English and Mongolian), page 4.

We have noted that the names, personal information, and contact details of the other complainants should be kept confidential. For transparency purposes, we would like to request your consent to publish your redacted complaint letter (see attached) on our website. We hope to receive your consent the soonest.

Please do not hesitate to contact me if you need further clarification.

Yours sincerely,

Warren Evans
Special Project Facilitator
OSPF

Attachments 1. Accountability Mechanism Summary (English and Mongolian)
 2. Complaint letter (redacted)

ASIAN DEVELOPMENT BANK
6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines
Tel +63 2 632 4444
Fax +63 2 636 2444