

Environmental and Social Data Sheet

Overview

Project Name:	ULAANBAATAR WWS
Project Number:	2013 0421
Country:	Mongolia
Project Description:	Financing of the Water, Wastewater and Sanitation investment program in the <i>Ger</i> (yurt) areas of the municipality of Ulaanbaatar (Mongolia). The program is part of an overall priority urban services development project identified and prepared by the Asian Development Bank (ADB). The objective of this project is to combine social, spatial and sectoral approaches in order to provide basic urban infrastructure and services to the ill-equipped <i>Ger</i> areas, as well as to develop and integrate these unofficial urban areas within the city development
EIA required:	Yes. A general environmental assessment has been prepared for the project and accepted by the Ministry of Environment and Green Development. Detailed EIAs for each of the sub-centres concerned shall be prepared and approved by the competent authority prior to disbursement of the relevant tranche.
Project included in Carbon Footprint Exercise ¹ :	No
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")	

Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

The project will generally benefit the environment and public health, by providing better drinking water to the population, improving the efficiency of treatment and distribution facilities and by collecting and treating waste water before discharging into receiving water bodies.

A general Environmental Impact Assessment (EIA) has been approved by the competent authority, the Ministry of Environment and Green Development (MEGD). In addition, an Initial Environmental Examination (IEE) and an Environmental Assessment and Review Framework (EARF) have been prepared. Public consultations were held during project preparation and are foreseen during implementation. An Environmental Management Plan has been prepared based on the findings in the environmental assessments. Some of the project's components shall be implemented on plots currently occupied by households. Therefore a Resettlement Framework (RF) has been prepared for the whole investment programme. According to the RF, a Land Acquisition and Resettlement Plan (LARP) shall be prepared for each concerned sub-centre. Both RF and LARP are in line with national legislation and ADB's Safeguard Policy Statement, which are acceptable to EIB.

The project is therefore acceptable for Bank financing.

The following conditions precedent for all disbursements shall be included in the Finance Contract:

- Detailed EIA study submitted to the satisfaction of the Bank for each sub-centre and approved by the competent Mongolian authority,
- Resettlement Framework and Land Acquisition and Resettlement Plan for the concerned sub-centre, if relevant, submitted to the satisfaction of the Bank and approved by the competent Mongolian authorities.

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

The following undertakings shall be included in the Finance Contract:

- Implementation of the Environmental Management Plan,
- Implementation of the Land Acquisition and Resettlement Plan,

Environmental and Social Assessment

Environmental Assessment

Environmental assessment and review framework (EARF). Consistent with the Asian Development Bank's (ADB) Safeguard Policy Statement (2009), an environmental assessment and review framework (EARF) for the whole program has been developed by the project preparatory technical assistance (TA) for, and in close collaboration with, the Municipality of Ulaanbaatar (MUB). The EARF, reviewed and approved by ADB in June 2013 and presented in the facility administration manual outlines the procedures to be followed in the environmental assessment and review of projects and subprojects that will be prepared after program approval to comply with the environmental safeguard requirements of ADB's Safeguard Policy Statement and the Law on Environmental Impact Assessment of Mongolia (2012). The EARF provisions guide MUB in the selection, screening and categorization, environmental assessment, and preparation and implementation of safeguard plans — such as an environmental management plan — of components and subprojects under subsequent tranches of the program. The preparation of environmental assessment documents shall follow the procedures outlined in the EARF. Detailed environmental assessment reports and environmental management plans are to be prepared for the program's different tranches.

Initial environmental examination (IEE). The IEE has been prepared by the TA team for, and in close collaboration with, the MUB, following ADB's Safeguard Policy Statement and in compliance with the EARF prepared for the investment program. The IEE (i) gives an overview of Mongolia's environmental policy and the environmental impact assessments (EIA) requirements of Mongolia and the ADB; (ii) describes the program and tranche; (iii) presents the baseline environmental conditions of physical, ecological, socioeconomic and physical-cultural resources; (iv) assesses the anticipated environmental impacts of proposed physical activities; (v) recommends measures to mitigate anticipated impacts; (vi) describes the process, and presents the results, of the consultation and information disclosure that has been undertaken; (vii) defines a grievance redress mechanism; and (viii) provides an environmental management plan (EMP).

Detailed environmental impact assessments. In compliance with Mongolia's environmental laws and regulations, tranche 1 was subject to a general environmental impact assessment (GEIA) by the Ministry of Environment and Green Development (MEGD) in March 2013. The GEIA conclusion has required the preparation of a detailed EIA for each sub-centre. They have been prepared by a MEGD-licensed entity and are not yet approved.

Anticipated impacts. The major impacts will mainly arise during construction. The few significant adverse impacts during construction (including dust, noise, traffic disturbance, construction waste management, and health and safety concerns) will be temporary and short-term (i.e., most to occur only during peak construction period, estimated to last 20–30% of the construction period). These will not be sufficient to threaten or weaken the surrounding resources. No environmentally sensitive areas are concerned by the project. Furthermore, most of the components within the project will be built at or next to existing servitudes and structures. Standard mitigation measures, basically integral to socially and environmentally responsible construction practices, are commonly used at construction sites in urban setting.

During the operation phase the following positive environmental impacts are mentioned:

- Reduction of physical losses of the water mains system (less abstraction of ground or river water for the same volume of supplied water).
- Reduction of leakage from the sewer system and of discharge of untreated sewage (less pollution of ground and surface water)
- Energy savings

- Reduced air pollution (replacement of individual stoves by district heating system)

The following negative environmental impacts during the operation phase are mentioned:

- Noise emissions from facilities and plant,
- Air pollution,
- Generation of waste water sludge and other waste,
- Visual impact of new facilities.

Compared to the current situation, all negative impacts arising from future operation are lower.

Social Assessment

General

Some of the project's components shall be implemented on plots currently occupied by households. Therefore a Resettlement Framework (RF) has been prepared for the whole investment program. According to the RF, a Land Acquisition and Resettlement Plan (LARP) shall be prepared for each concerned sub-center. Both RF and LARP are in line with national legislation and ADB's Safeguard Policy Statement.

The resettlement framework (RF) outlines the procedures required to prepare satisfactory LARPs and stipulates arrangements for consultation and public participation, grievance redress, and monitoring and evaluation. The RF also lays the foundation for all land acquisition and resettlement activities for the investment program.

The land acquisition and resettlement (LAR) by the government for projects in urban areas is based on negotiation and contracts with affected persons according to the Civil Code of Mongolia. The project will adopt a negotiated LAR practice involving contractual agreements negotiated between the affected persons and the Land Administration Department on the basis of the Civil Code of Mongolia.

Entitlements. Entitlements may include cash compensation for any immovable assets on the unlicensed plot or, preferably, replacement housing on another plot with possession license. Consideration may also be given to the provision of social housing for these and other vulnerable households. All affected entities are eligible for entitlements, as stipulated in ADB's Safeguard Policy Statement, including owners, possessors, users, legalizable occupants, non-titled occupants and lessees. The eviction of unlicensed affected persons is a violation of the ADB's Safeguard Policy Statement. All affected persons who are unlicensed occupants of land in areas designed for the land allocation are treated as legalizable. The eligibility and entitlements for specific types of losses are summarized in an entitlement matrix.

Consultation. To ensure peoples' participation as a continuous two-way process, a number of consultation meetings were arranged on social and resettlement issues during the feasibility study and resettlement surveys, including the individual and group consultation meetings with affected persons and other stakeholders. The consultation meetings will be an ongoing process during LARP preparation and implementation. The LARP and RF will be endorsed by the Government of Mongolia, the Municipality of Ulaanbaatar (MUB); key information of the LARP will be disclosed to affected persons² in local language prior to the Management Review Meeting. The LARP and RF in English will be posted on the ADB website and the Mongolian version will be disclosed on the website of the MUB, and made available to affected persons and communities at local level in *Khoroo* (city district) Governor's offices.

Grievance Redress Mechanism. The MUB will set up a grievance redress mechanism (GRM) to support affected persons on problems arising from LAR and associated impacts. The

² A resettlement information leaflet is prepared containing information on the cut-off date, compensation, entitlements, the grievance redress mechanism, and implementation arrangements for resettlement management.

chairperson of the resettlement planning and implementation committee (RPIC)³ will be the initial recipient of the grievance and will log it in the grievance action form. All grievance action forms will be consolidated by the chairperson and presented to the RPIC for deliberation and appropriate action, on a weekly basis. Grievances unresolved at the RPIC level within 2 weeks of their lodging shall be referred to the respective district governor for resolution within 1 week. Recommendations of the governor will be referred to the Citizens' Representative *Khural* for approval and final action. If there are still unresolved grievances after another week, a case will be filed in the appropriate courts. Affected persons can decide to go through the legal system directly or may decide not to use project level grievance channels. An aggrieved person may also express grievance to the external monitor, who would then report to it to RPIC. Alternatively, the aggrieved person(s) may submit a complaint to the ADB project team to try to solve the problem. If good faith efforts are still unsuccessful, and if there are grievances that stemmed from a violation of ADB's safeguard policy, the affected persons may appeal directly to ADB in accordance with ADB's Accountability Mechanism.⁴

LARP implementation arrangements. The executing agency and implementing agency for the investment program will be the MUB. Facilitation, coordination, and management of subcenter redevelopment will be undertaken by the Subcenter Redevelopment Authority (SRA). The SRA will be set up as a city-owned enterprise under the Vice Mayor for Urban Development and Investment. An ADB/MFF program steering committee (PSC) will be established comprising representatives from the MUB and national agencies. The Mayor of Ulaanbaatar will head the PSC. There will be a program management office (PMO), which would be independent of the implementing agencies, and its head would report to the PSC. The PMO would provide secretariat services to the PSC. The PMO will be staffed by full time specialist to handle all issues related to land acquisition. The PMO will assist the RPIC and ensure resettlement safeguard compliance; and submission of the final LARP based on detailed design, detailed measurement survey/census to MUB and ADB for review and approval prior to commencement of land acquisition and/or resettlement activity and the award of civil works contracts.

Monitoring and reporting. Monitoring of compliance with the LARPs and RF, ADB's Safeguard Policy Statement, and the legislation of Mongolia during implementation is carried out by the PMO together with the MUB, as well as by an external monitoring agency. The PMO will conduct its own internal monitoring of LARP implementation. The results will be communicated to ADB through the quarterly project implementation reports. The PMO will be responsible for engaging an external monitoring agency, who will investigate and assess LARP implementation biannually and results of monitoring will be reported to the MUB and ADB semi-annually.

Situation for Tranche 1

Two land acquisition and resettlement plans (LARPs) are being prepared for Bayankhoshuu and Selbe sub-centers. The two LARPs prepared for tranche 1 will be updated based on detailed measurement survey of affected persons and detailed engineering design. LARPs for tranche 2 will be prepared based on census, detailed measurement survey of APs, and detailed engineering design.

Total land take associated with the developments in these two sub-centers is estimated at 22,216 square meters (9,766 square meters in Bayankhoshuu and 12,450 square meters in Selbe). Based on preliminary assessments conducted under the TA, land acquisition will affect 23 *khashaa* (plots) and 5 residential structures in the Bayankhoshuu subcenter and 63

³ RPIC is comprised of key government officials at the district and *khoro* levels, including representatives of the Ulaanbaatar Land Administration Department, Property Relations and Assets Office, PMO, and representatives of affected households.

⁴ Before submitting a complaint to the Accountability Mechanism, affected people should make a good faith effort to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, they should approach the Accountability Mechanism. For further information see: <http://www.adb.org/Accountability-Mechanism/default.asp>.

khashaa and 15 resident structures in the Selbe subcenter, i.e. 86 *khashaas* and 20 houses which corresponds to a total of about 200 households affected.⁵

Other social impacts

The project will comprise one of the largest construction sites in Ulaanbaatar in the coming years. During the construction phase, it will therefore create job opportunities.

During the operation phase the following positive social impacts are mentioned:

- Improved security of water supply
- Increased public health and safety

The main negative social impact during the operation phase will be the increase of water tariffs in the *Ger* areas. However, even after the scheduled increase they will remain within the usual affordability limits for the poorest households.

Public Consultation and Stakeholder Engagement

During project preparation, two rounds of public consultations were held. The first round of public consultations was through the household and business surveys under the TA's Socio-Economic Survey and Willingness to Pay for Services, which was conducted in Q4 2012 to Q1 2013 and wherein environment-related questions were incorporated into the survey questionnaire. The relevant survey queries are those concerning access to and satisfaction with the existing basic services, satisfaction level with current social and environmental conditions, and priority environmental and infrastructure issues. The surveyed revealed that poor access to water supply, sanitation and heating, poor roads without sidewalks and lighting, and scarce public amenities are among the priority concerns. The second round of public consultation was conducted in the framework of the Detailed Environmental Assessments. The results of the consultation, which are reported in detail in the two reports, confirm the findings of the first round.

Other Environmental and Social Aspects

N.A.

PJ/ECSO 10.07.12

⁵ On the basis 1.7 households per *khashaa* (further to the survey carried out during project preparation) and the assumption of two households per house.