



Consultant's Report

July 2012

Consultant's Report

TA-7566-REG: Strengthening and Use of Country Safeguard Systems

Subproject: MON: Reform of Legal and Regulatory Framework for Involuntary Resettlement

INSTITUTIONAL CAPACITY ASSESSMENT AND CAPACITY DEVELOPMENT PROGRAM

CURRENT SITUATION, STRUCTURE AND ORGANIZATION OF PUBLIC INSTITUTIONS RESPONSIBLE FOR LAND ACQUISITION AND RESETTLEMENT IN MONGOLIA AND CAPACITY DEVELOPMENT PLAN

Institutional Capacity Assessment and Capacity Development Program has been prepared by ADB consultant Odonchimeg Davaasuren (Institutional Development Specialist). The text reflects solely the views of the consultant. The report does not necessarily reflect the views and policies of the Asian Development Bank, its Board of Governors, or the governments they represent. The Asian Development Bank does not guarantee the accuracy of the data included in this paper and accepts no responsibility for any consequences of their use. Use of the term "country" does not imply any judgment by the Asian Development Bank as to the legal or other status of any territorial entity.

ACRONYMS

ADB	Asian Development Bank
UB	Ulaanbaatar, the capital city of Mongolia
MNET	Ministry of Nature, Environment and Tourism
ALACGAC	Agency for Land Affairs, Construction, Geodesy and Cartography
LAR	Land Acquisition and Resettlement
MRTCUD	Ministry of Roads, Transportation, Construction and Urban Development
CRKh	Citizens' Representative Khural
CAA	Civil Aviation Authority
RCC	Resettlement Coordination Committee
CCID	Capital City Investment Department
SIA	Social Impact Assessment
CCGA	Capital City Governor's Administration
CCSID	Capital City Specialized Inspection Department
CCLO	Capital City Land Office
CCCUDPD	Capital City Construction, Urban Development and Planning Department
CCRD	Capital City Road Department
CCPD	Capital City Property Department
RP	Resettlement plan
CCEPD	Capital City Environmental Protection Department
CCAIO	Capital City Air Quality Office
MPD	Metropolitan Police Department
UDLAPD	Urban Development and Land Affairs Policy Department
CDPD	City Development Policy Department
FSTD	Finance and Single Treasury Department

CONTENT

Page

I.	EXECUTIVE SUMMARY	4
II.	INTRODUCTION	5
	2.1 PREFACE AND RATIONALE	5
	2.2 GOAL.....	6
III.	SURVEY METHODOLOGY	7
	3.1 SURVEY METHODOLOGY AND SCOPE	7
	3.2 SITE VISITS AND DATA COLLECTION	7
IV.	INSTITUTIONAL STRUCTURE AND ORGANIZATION	9
	4.1 AGENCIES ENGAGED IN LAND ACQUISITION, RESETTLEMENT AND COMPENSATIONS: THEIR STRUCTURE AND ORGANIZATION	9
	4.1.1 MINISTRY OF ROADS, TRANSPORTATION, CONSTRUCTION AND URBAN DEVELOPMENT	9
	4.1.2 AGENCY FOR LAND AFFAIRS, CONSTRUCTION, GEODESY AND CARTOGRAPHY.....	11
	4.1.3 LAND AFFAIRS, CONSTRUCTION AND URBAN DEVELOPMENT DEPARTMENT	12
	<i>Capital City Land Office</i>	12
	<i>Land management and planning division</i>	13
	<i>Land use and registration division</i>	14
	<i>Land valuation and fees division</i>	14
	<i>Land resettlement division</i>	14
	<i>District land offices</i>	14
	<i>Roles and scope of involvement of agencies in land acquisition and resettlement</i>	15
	4.1.4 PROJECT IMPLEMENTATION BY AGENCIES RESPONSIBLE FOR LAND ACQUISITION, RESETTLEMENT AND COMPENSATION	17
	4.1.5 INSTITUTIONS RESPONSIBLE FOR INFRASTRUCTURE.....	19
	<i>Capital City Road Department</i>	19
	<i>Civil Aviation Authority and Railway Authority</i>	19
	<i>Minerals Authority</i>	19
	<i>INSTITUTIONS RESPONSIBLE FOR INFRASTRUCTURE DEVELOPMENT AND UTILITY NETWORK</i> ..	20
	4.1.6 NATIONAL AND LOCAL LEVEL URBAN PLANNING AGENCIES	20
	<i>Capital City Construction, Urban Development and Planning Department</i>	20
	<i>CAPITAL CITY URBAN PLANNING, DRAFTING AND BLUEPRINT INSTITUTE</i>	21
	4.1.7 CAPITAL CITY PROPERTY DEPARTMENT	22
	4.1.8 OTHER ORGANIZATIONS	22
	<i>General Agency for State Registration</i>	22
	4.2 STAFF PROFICIENCY AND EDUCATION	22
	4.2.1 NUMBER OF PERSONNEL, POSITION AND ROLES	22
	4.2.2 LEVEL OF EDUCATION AND PROFESSIONAL QUALIFICATIONS.....	26
	<i>Urban Development and Planning Department, ALCGaC</i>	27
	<i>Capital City Construction, Urban Development and Planning Department</i>	27
	<i>Capital City Land Office</i>	28
	<i>Capital City Urban Planning, Drafting and Blueprint Institute</i>	29
	4.3 PRESSING ISSUES AND OBSTACLES.....	29
	4.4 TRAINING NEEDS.....	31

V.	ORGANIZATIONAL STRUCTURE FOR IMPLEMENTATION OF THE DRAFT LAW	33
	5.1 INSTITUTIONAL STRUCTURE FOR IMPLEMENTATION	33
	5.1.1 STATE GREAT KHURAL AND LOCAL SELF-GOVERNING ORGANIZATIONS	33
	<i>State Great Khural (Parliament)</i>	33
	<i>Aimag and Capital City Citizens' Representatives Khurals</i>	34
	<i>Soum and District Citizens' Representative Khurals</i>	34
	<i>Bagh and khoroo community meetings</i>	34
	5.1.2 AGENCIES RESPONSIBLE FOR LAND AFFAIRS	34
	<i>MRTCUD</i>	34
	<i>ALACGaC</i>	34
	<i>Aimag and Capital City Land Office</i>	35
	<i>Capital City Property Department</i>	35
	5.1.3 MEDIATION COUNCIL	35
	<i>Composition of Mediation Council</i>	36
	<i>Rights and responsibilities of Mediation Council</i>	36
	5.1.4 POWER OF LOCAL GOVERNORS	36
	5.1.5 ORGANIZATIONS IN CHARGE OF INFRASTRUCTURE	37
	5.1.6 URBAN PLANNING INSTITUTIONS	37
	5.1.7 LAND AND REAL ESTATE VALUATION AGENCIES	37
	5.1.8 PRIVATE SECTOR AND NGOS	37
	5.1.9 OTHER ORGANIZATIONS	37
	<i>Capital City Specialized Inspection Department</i>	37
	<i>Auditors</i>	38
	<i>Agency for implementation of court decisions</i>	38
VI.	5-YEAR CAPACITY DEVELOPMENT PROGRAM	39
	6.1 5-YEAR CAPACITY DEVELOPMENT PROGRAM FOR ORGANIZATIONS RESPONSIBLE FOR IMPLEMENTING THE LAW ON LAR	39
	6.2 GENERAL LAYOUT OF CAPACITY DEVELOPMENT PROGRAM	40
	6.3 TRAINING PROGRAM	40
	6.3.1 TRAINING TYPE AND FORM	40
	<i>Study tour</i>	42
	<i>Training of Trainers</i>	42
	6.4 ORGANIZATION OF TRAINING CURRICULUM	42
	6.4.1 TRAINING AT AIMAGS AND CAPITAL CITY	42
	6.4.2 SOUM AND DISTRICT BASED TRAINING	43
	6.5 IMPLEMENTATION OF TRAINING	43
	6.6 BUDGET FOR 5-YEAR CAPACITY DEVELOPMENT PLAN	43
VII.	RECOMMENDATIONS	45
VIII.	ATTACHMENTS ON BUDGET	46

LIST OF GRAPHS

GRAPH 1 MINISTRY OF ROADS, TRANSPORTATION, CONSTRUCTION AND URBAN DEVELOPMENT	10
GRAPH 2 STRUCTURE OF AGENCY FOR LAND AFFAIRS, CONSTRUCTION, GEODESY AND CARTOGRAPHY	11
GRAPH 3 CAPITAL CITY LAND OFFICE.....	13
GRAPH 4 SEQUENCE OF LAR.....	18
GRAPH 5 STRUCTURE AND ORGANIZATION OF CAPITAL CITY CONSTRUCTION, URBAN DEVELOPMENT AND PLANNING DEPARTMENT.....	21
GRAPH 6 STRUCTURE AND ORGANIZATION OF CAPITAL CITY URBAN PLANNING, DRAFTING AND BLUEPRINT INSTITUTE.....	21

LIST OF FIGURES

FIGURE 1 URBAN DEVELOPMENT AND LAND AFFAIRS POLICY DEPARTMENT, MRTAUD	26
FIGURE 2 URBAN DEVELOPMENT AND PLANNING DEPARTMENT, ALCGAC	27
FIGURE 3 CAPITAL CITY CONSTRUCTION, URBAN DEVELOPMENT AND PLANNING DEPARTMENT	27
FIGURE 4 CAPITAL CITY LAND OFFICE	28
FIGURE 5 CAPITAL CITY URBAN PLANNING, DRAFTING AND BLUEPRINT INSTITUTE.....	29

LIST OF TABLES

TABLE 1. LEGAL RIGHTS AND LIMITATIONS OF AGENCIES RESPONSIBLE FOR LAND ACQUISITION, RESETTLEMENT AND COMPENSATION.....	15
TABLE 2. STRUCTURE AND ORGANIZATION OF URBAN DEVELOPMENT AND LAND AFFAIRS POLICY DEPARTMENT, MRTAUD	23
TABLE 3. STRUCTURE AND ORGANIZATION OF CADASTER DEPARTMENT OF ALCGAC	23
TABLE 4. DEPARTMENT FOR LAND ADMINISTRATION AND LAND OWNERSHIP, ALCGAC	24
TABLE 5. DEPARTMENT FOR LAND AFFAIRS, CONSTRUCTION AND URBAN DEVELOPMENT, UMNUGOBI AIMAG (EXAMPLE: UMNUGOBI AIMAG).....	24
TABLE 6. STRUCTURE AND ORGANIZATION OF LAND RESETTLEMENT DIVISION OF CCLO	25
TABLE 7. LAND MANAGEMENT AND PLANNING DIVISION, CCLO	25
TABLE 8. URBAN DEVELOPMENT DIVISION, CCCUDPD	26

I. EXECUTIVE SUMMARY

1. Driven by the demand to capitalize and boost the commercial use of land, to re-design urban areas, to develop infrastructure and to implement large-scale regional development programs, the Government of Mongolia (GoM), and its line Ministry of Road, Transportation, Construction and Urban Development, initiated a (two-phase) project entitled Reform of Legal and Regulatory Framework for Involuntary Resettlement in Mongolia, with technical assistance from ADB, in order to develop draft legislation on Land Acquisition, Resettlement and Compensation.

2. In phase 1 of the project, an initial draft law was developed, while phase 2 is designed to formulate the rights and duties of agencies responsible for land acquisition and resettlement, to formulate procedures for land acquisition and resettlement, and to propose institutional arrangements that would be applicable at the implementation stage of the new draft law.

3. The issue of land acquisition and resettlement emerged in Mongolia when the country shifted to a free market system allowing various forms of ownership. While the legislation includes grounds for land acquisition, resettlement and compensation by including the property rights of end users, possessors and owners, it does not contain in-depth provisions for implementing institutions or their rights and duties.

4. The urban population has grown extensively in the last few years, which has created a pressing need for legal coordination that is not detrimental to a citizen's right to own, possess and use land, with consideration of potential improvement of infrastructure, new urban development and construction, the mining sector development along with the need for state special needs resulted the draft law on LAR was development.

5. This assessment report identifies the extant rights and duties of agencies responsible for land acquisition and resettlement and the potential structure and organization under the new draft law. Also identified are the needs for capacity building and training of existing staff and personnel of agencies responsible for LAR.

II. INTRODUCTION

6. The Terms of Reference of this assessment require identification of the current structure and organization of institutions; human resource capacities of existing institutions to carry out acquisition, resettlement and assessing compensation for affected communities as defined in the current legislations; and definition of roles and level of actions; followed by identification of institutional requirements; setting out how the new requirements are to be reflected in newly-developed draft laws, rules and regulations; as well as developing a capacity building plan for policy-making and implementation agencies as mandated by the new draft law.

7. The draft Law on LARC has been developed since February 2012, and was scheduled to be submitted to the GoM (Cabinet) in April this year. To meet this deadline, international consultants, national specialists and the Working Group established by MRTCUD have been working under the detailed Action Plan and guidelines laid out by the Steering Committee.

8. This assessment work has been conducted in order to develop a thorough coordination system for LARC, with due consideration of the provisions of the Constitution of Mongolia and the Civil Code as well as the requirements of international financial institutions, highlighting citizen interests and social development needs.

2.1 PREFACE AND RATIONALE

9. LAR activities under the existing legal framework have been studied over the last few years, fueled by an effort to enable economic growth and the need to introduce new technology in relation to population growth.

10. During the last decade, as Mongolia's citizens have exercised their right to choose their place of residence without restriction, the population of the capital city has grown significantly, reaching 1,067,500 in 2007, 3.5 times larger than the population in 1988.

11. Because of extensive immigration, the number of *hashaas* in peri-urban areas has increased 65% and the number of households 55%, doubling the population of the peri-urban ger district, and Ulaanbaatar city continues to expand rapidly in both population and territory.

12. The assessment shows that a modern and optimal legal framework is necessary for LAR, as Ulaanbaatar City continues to need to increase the range of drinking water supply, sanitation, communications and roads as well as social facilities such as schools and hospitals, and meeting public needs and the state special use of land for industrial parks and mining operations.

13. The current Master Plan for Development of Ulaanbaatar City was formally approved in 2002. The key obstacle for implementation of this Master Plan has been land acquisition to meet urbanization as the growth of the peri-urban areas has restricted efforts to expand infrastructure, and to ensure proper land administration and city development.

14. Under the national New Development program, much important infrastructure has been built, including 127kms of paved road between Tsahir and Tosontsengel; another 45kms between Undurhaan-Munhhaan and Baruun Urt; 104kms between Ulaanbaatar and

Mandalgobi; 212km of paved street in Ulaanbaatar City; 7 bridges; and renovation of 305kms of other roads.

15. In the last few years, the GoM, with international donors and the private sector, has initiated a number of infrastructure projects, including 5572km of paved road connecting aimag centers with Ulaanbaatar; 990km of the Altanbulag-Ulaanbaatar-Zamyn-Uud highway; re-development of UB city; and improvement of peri-urban areas. Other examples include the GoM commitment to build 40,150 homes in apartment buildings under its program entitled 40,000 Apartments.

16. In 2011 alone, there was construction of road, bridges and flood dams involving 523 parcels of land, with 190,418m² (19.04 hectare) of land acquired for public use; MNT 690,630,000 was paid as compensation by resolution of the Governor of the Capital City for land acquisition for the construction of roads, bridges and flood dams in 9 locations, of which MNT 59,852,700 was paid for land compensation and MNT 630,777,300 was paid in real estate compensation.

17. Performing the above work has meant that LAR has affected the rights of landowners, possessors and users as granted by the Constitution and other legislation, and challenged their specific property rights, which has meant that LAR issues have often entailed serious problems.

18. The current land administration and urban development practice involves an immediate need to acquire land currently under ownership, possession and use by citizens and legal entities, in order to meet special state needs and development programs.

19. LAR activities are governed by a regulation approved by GoM resolution under the framework of the Law on Land and the Law on Privatizing Land to Citizens of Mongolia, which are enforceable by the Civil Code; however, provisions in the regulations are incomplete or unclear and do not meet the requirements for LAR.

20. The draft Law on LAR was developed as a response to the need to develop a legal framework which properly considers the interests of affected communities and the public, and there has been extensive discussion and consultation. There is a strong need clearly to identify the rules, duties and responsibilities of government and all other institutional stakeholders to the LAR, and to create mechanisms to integrate and coordinate their activities.

21. The assessment also identified that officers involved in LAR lack the optimal methodology, tools and resources to properly consider the interests of affected communities; also, public perceptions and attitudes must be changed as a part of the project prior to commencing LAR activities.

22. To implement effective LAR action, it is necessary first to develop clear legal provisions detailing the roles and responsibilities of both policy and implementation level agencies and officers, with detailed rules and regulations under the new law, with in-depth training and capacity-building reflected in a capacity-building plan under which agencies must have training and re-training programs for their designated staff.

2.2 GOAL

23. This assessment report aims to identify the roles and functions of all government agencies involved in LAR and their way of working with affected communities identified in the existing legislation; to reflect essential needs related to LAR in the new legislation and institutional framework; and to develop a five-year capacity-building plan for policy and implementation agencies as required by the law.

III. ASSESSMENT METHODOLOGY

3.1 ASSESSMENT METHODOLOGY AND SCOPE

24. The survey methodology involved questionnaires, focus groups and interviews, as well as document review and a review of statistics, social and demographic data, economic data and technical documents.

25. The assessment was planned to be carried out with a benchmark survey, followed by review and study of all related documents, laws, rules and regulations. In addition, the assessment team paid site visits to representative regions to consider resettlement experience; the team met with the local community to see how agreement was reached and how compensation was paid, and studied the involvement and roles of the various agencies involved in step-by-step LAR actions and the legal documentation involved.

26. The methodology stressed the collection of primary data through interviews with representatives of all respective agency staff and local authorities, listening to their opinions on the draft Law on LAR.

27. Based on HR, organizational change management, action plans, institutional development and re-engineering methods, the assessment of the potential institutional forms and alternatives to implement actions under new draft law was studied.

28. This assessment covered all aspects of LAR, including roles and responsibilities of all agencies, from decision-makers to implementers, within the framework of the rights granted to citizens who might be affected by the LAR.

29. This assessment included three main areas: [1] identification of duties and responsibilities of all level agencies (government, local and other) in relation to the LAR; [2] identification of staff training needs at all level agencies involved with the LAR; [3] organization of short- and long-term staff training for all level agencies.

3.2 SITE VISITS AND DATA COLLECTION

30. In the assessment, a site visit was made to Umnugobi aimag's Hanbogd soum to see how the community of Hanbogd soum was involved in resettlement and the effect of measures taken for herders who are affected by the Oyu Tolgoi project, as well as looking at the effect of past practices of resettlement and compensation for communities for the capital city road expansion work, with a study of the rights and duties of stakeholders of these two projects and the implementation of rules and regulations in LAR action.

31. In working with affected communities, the Oyu Tolgoi LLC community relations staff visited communities and homes to disseminate information on the resettlement action plan, reached agreement with the soum governor and formed a Working Group for compensation payments.

32. In studying land acquisition and resettlement action by Oyu Tolgoi, it was found that the local governor and the rangeland association represented the local community, while the resettlement action plan was presented to the affected community, and relevant contracts

reached. This has meant less government involvement, with citizens and the private sector able to resolve key issues by joint consultation, which is one of the recommended LAR ways.

33. As regards road construction and expansion of Ulaanbaatar City, various stakeholders were interviewed, including MRTCUD, MNET, ALACGaC, Finance and Single Treasury Department of CCGA, Legal Department, CCLO, CDPD, CCCUDPD, CCID, CCRD, CCPD, CCEPD, CCAQO, CCSID, MPD, respective NGOs and community representatives.

34. The Capital City CRKh issued Resolution 92 (27 June, 2011) entitled On Approving Regulations and Establishing a Temporary Apartment Residence (allowing temporary occupation by households on the acquired land until completion of apartment buildings) and other regulations setting boundaries, sizes and locations of areas for the building of apartment blocks in existing peri-urban districts; these documents were key to enabling land acquisition and compensation.

IV. INSTITUTIONAL STRUCTURE AND ORGANIZATION

4.1 AGENCIES ENGAGED IN LAND ACQUISITION, RESETTLEMENT AND COMPENSATION: THEIR STRUCTURE AND ORGANIZATION

35. In this assessment, we studied the key functions and current institutional environment of agencies involved with LAR under the current legal framework which includes the Law on Land, the Law on Privatizing Land to Citizens of Mongolia and the GoM resolution on land acquisition for state special needs. We analyzed the legal coordination of all agencies, from law-making agencies to implementation agencies, as well as the rights of citizens affected by LAR. The institutions include the following:

36. STATE GREAT KHURAL (PARLIAMENT OF MONGOLIA) is involved with LAR-related affairs in compliance with Article 17 of the Land Law, exercising rights over acquisition, release and identification of the size and boundaries of land under state special protection, state border land, land allocated for defense and security purposes, land for foreign diplomatic missions and consulates and land for free trade zones.

37. GOVERNMENT OF MONGOLIA (CABINET) actions relating to LAR are governed by Article 18 of the Land Law, enabling Cabinet to pay compensation when land is acquired or exchanged for state special purposes; it may delegate resolution of land-related issues to capital city and aimag administrations in compliance with the Land Law.

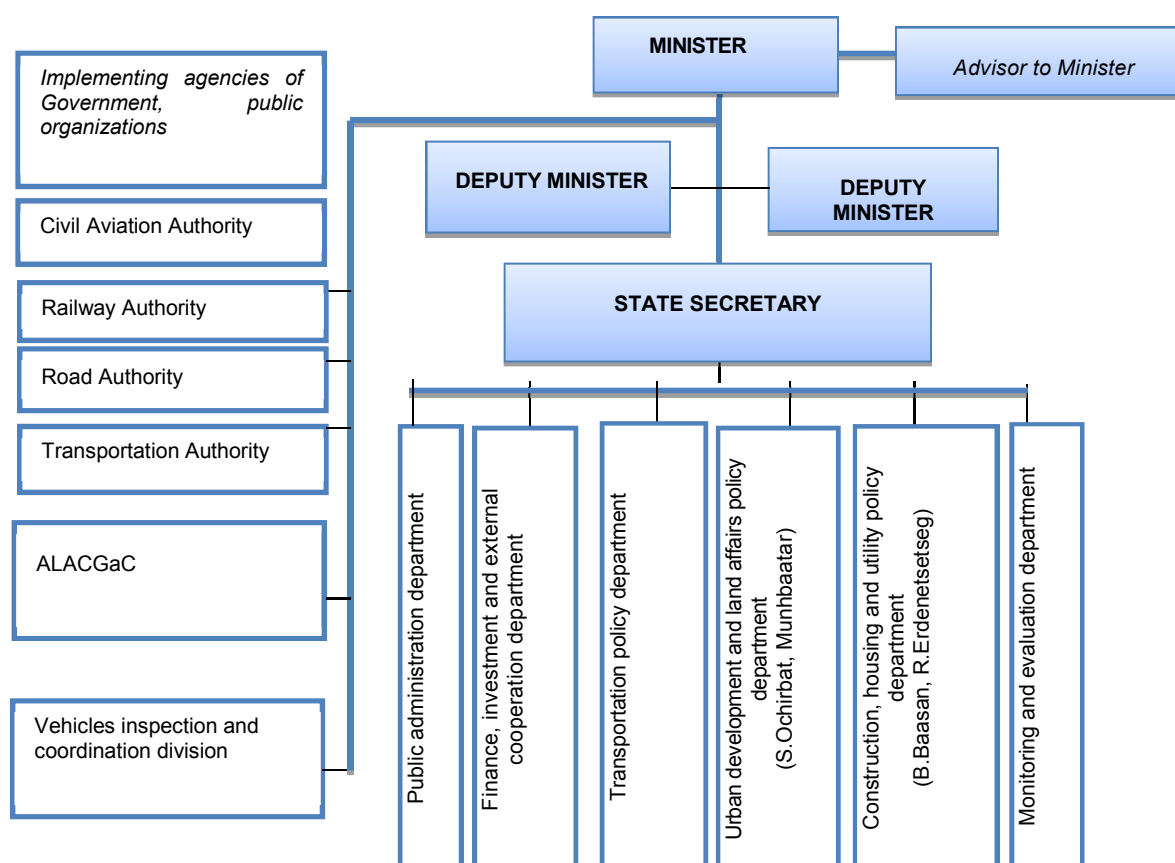
4.1.1 MINISTRY OF ROADS, TRANSPORTATION, CONSTRUCTION AND URBAN DEVELOPMENT

38. This is the central state administrative agency in charge of roads, transportation, construction and urban development; it submits proposals to Cabinet for the acquisition, release and identification of the size and boundaries of land under state special protection; state border land; land allocated for defense and security purposes; land for foreign diplomatic missions and consulates; and land for free trade zones, as stated in Article 19 of the Land Law.

39. MRTAUD develops draft policies, laws, rules and regulations, organizes urban development and land affairs issues at the national level, and ensures integration and coordination of activities of line ministries, agencies, the capital city and the 21 aimags.

40. MRTAUD has 6 departments and 5 affiliate agencies. Of these, the Department of Urban Development and Land Affairs Policy, the Department of Construction, Housing and Utility Policy, the Department of Road and Transportation Policy and the ALACGaC are the central state administrative agencies responsible for provision of policy and planning of land acquisition and resettlement issues.

GRAPH 1 MINISTRY OF ROADS, TRANSPORTATION, CONSTRUCTION AND URBAN DEVELOPMENT



Urban Development and Land Affairs Policy Department, MRTUD

41. The work of the Urban Development and Land Affairs Policy Department mainly focuses on urban development and land policies and coordination of implementation of these policies.

42. The department is also tasked with identifying an integrated policy on land; amending legislation; developing rules, regulations, methodologies and other legal documents under the integrated policy; monitoring and overseeing implementation; and creation of legal expertise to coordinate acquisition of land when necessary.

43. The Urban Development and Land Affairs Policy Department comprises Chairman and Deputy Chairman with 6 other staff: a senior officer for land administration and planning, use, protection and reclamation of unified land; an officer for urban and architectural planning, settlement, residence and regional planning; an officer for geology; an officer for land cadaster, geodesy and cartography; an officer for land ownership, valuations, fees and economic use; and an officer for urban development and infrastructure.

44. At present, the department has no designated full-time staffing for LAR, so there is a need for a mechanism to develop integrated LAR policy, to ensure oversight and to develop policies, laws, rules and regulations.

4.1.2 AGENCY FOR LAND AFFAIRS, CONSTRUCTION, GEODESY AND CARTOGRAPHY

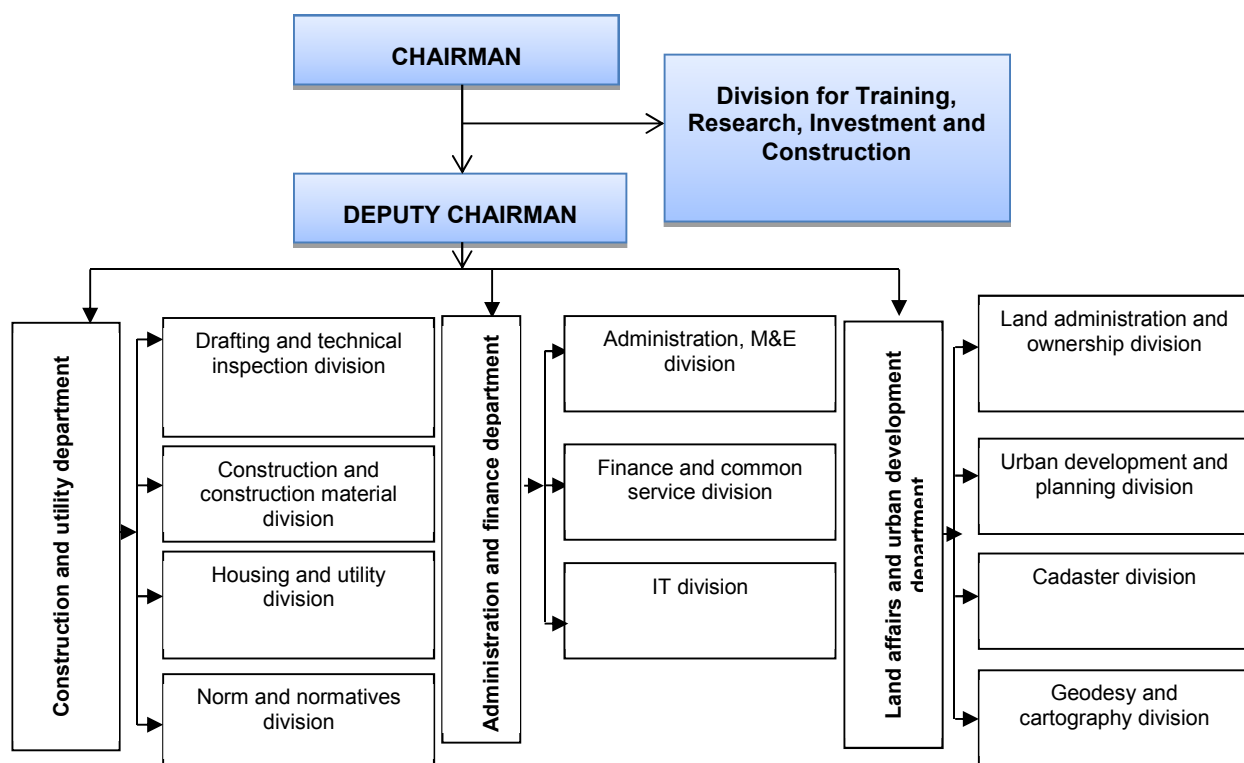
45. This is the state central administrative agency in charge of land affairs, construction, geodesy and cartography, responsible for developing a national land administration and management plan and to implement land (administration) at the national level; it is also assigned to support development of policies and draft legislation, and to ensure implementation of land and urban development policies and legislation.

46. ALACGAC has a centralized management and administration, and provides professional management and guidance to capital city and aimag affiliate land officers and soum-based land administrators.

47. The agency has three affiliate agencies: the Division of Training, Research, Investment and Construction; the Division of Land Affairs and Urban Development; and the Division of Construction and Utility Services. The Division of Land Affairs and Urban Development is involved in land acquisition, resettlement and compensation.

48. The Division of Land Affairs and Urban Development has 4 units: Land Administration and Ownership; Urban Development; Cadaster and IT; and Geodesy and Cartography. ALACGAC provides professional management and guidance to aimag-based Land Affairs, Construction and Urban Development Department staff and capital city and district land officers.

GRAPH 2 STRUCTURE OF AGENCY FOR LAND AFFAIRS, CONSTRUCTION, GEODESY AND CARTOGRAPHY



49. The Division for land administration and ownership is charged with developing and implementing policies for land privatization, ownership and use; developing land administration policy; and providing professional management and guidance. This unit is to implement LAR action via an officer responsible for land acquisitions and evictions, but the unit still has no designated officer, and the unit operational plan does not include potential hiring of such personnel.

50. Furthermore, its LAR-related functions must be clarified, with development of rules and regulations on land acquisition, resettlement and compensation evaluation by an officer in charge of LAR, and needs to develop a draft agreement for affected persons. The unit must also develop a general plan of action and provide branches and affiliates with professional guidance and management.

4.1.3 AIMAG OR CAPITAL CITY LAND AFFAIRS, CONSTRUCTION AND URBAN DEVELOPMENT DEPARTMENT

51. The responsibilities of the Aimag Land Affairs, Construction and Urban Development are to implement land affairs, geodesy and cartography legislation in the respective aimags; to promote the legislation; to provide professional support to the Aimag CRKh and Governor for enforcement of legislation and implementation of decisions.

52. Key functions include ensuring implementation of land laws and other legislation; ensuring implementation of policy-level action reflected in the GoM and Aimag Governor's Action Plan and other programs; developing and implementing a land administration plan; proposals for land acquisition for state and local special needs by the Aimag CRKh; land possession and use agreements based on decisions of the local Governor; issuance of property rights certificates; and provision of professional and methodological guidance to soum-based land administrators.

53. The Aimag Land Office is directly under the ALACGaC for professional functions, while it also belongs to the local governor in territorial areas, and provides soum-based land administrators with professional guidance.

Soum-based Land Administrator

54. Soum Land Administrators are responsible for implementation of GoM policy, legislation and rules and regulations covering land in their respective areas, and for organization of implementation of decisions of the Soum CRKh and the governor.

55. In addition, administrators implement land administration plans; organize land ownership, privatization and possession in compliance with the law; monitor land use; resolve violations; make land use agreements with legal entities; and issue land title certificates.

56. At present, land acquisition and resettlement actions relate to mining and pastureland and the actions of administrators are limited to delivery of decisions of the Soum CRKh to the respective bodies.

Capital City Land Office

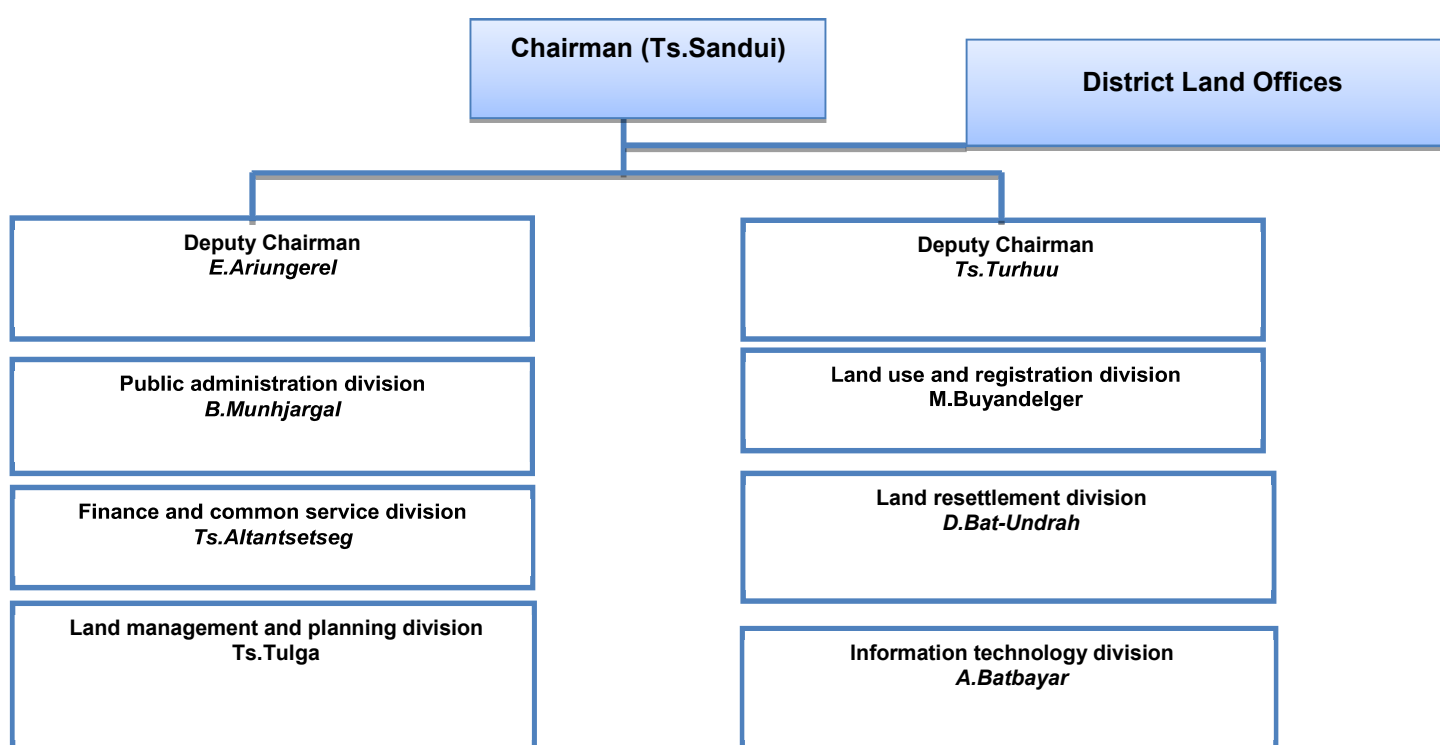
57. The Capital City Governor's implementing agency has two agencies/departments: the Land Office and the Capital City urban development and planning department; each has

specified duties. They also provide professional support to the Capital City CRKh and Governor and regulate land-related issues in compliance with the law. The Land Office is also responsible for land privatization, ownership and possession related action.

58. The Land Office (CCLO) has a Capital City General Land Administration Plan (2001), and a General Capital City Development Plan up to 2020; based on these, the Land Office develops annual plans, subject to approval by the Capital City CRKh before implementation.

59. The CCLO has 5 divisions with specific professional functions: the Division for Land Management and Planning; the Division for Land Use and Registration; the Land Fees and Payments Division; the IT Division; and the Resettlement LAR Division. The CCLO has affiliate Land Offices in 9 districts of the capital city. The Land Office has a staff of over 170, 70 of whom are in the Capital City Land Office while the other 100 are in the districts.

GRAPH 3 CAPITAL CITY LAND OFFICE



Land management and planning division

60. The division is responsible for analysis of current land use, ensuring integration and coordination of land use and urban development; development of a land-related policy for the capital city, subject to approval by the CRKh; selection of land use and possession proposals; organization of land auctions; and providing communities with land information.

61. As to LAR, the division is responsible for planning land for new settlements and buildings; preparing the required land; developing settlement plans for expansion of residential areas; arranging management of acquired land; managing land acquisition; and planning implementation in partnership with the Resettlement Division.

Land use and registration division

62. This division is responsible for a census of land ownership for all unified land territory; running land cadastral surveys and land registration; guaranteeing land ownership, possession and use rights of citizens and legal entities; monitoring and quality assurance of land; settlement of land-related disputes; and provision to the Resettlement Division of cadastral mapping for land to be acquired and owner resettlement.

Land valuation and fees division

63. The Valuation and Fees Division is responsible for setting land values in the capital city to create economic land use; calculation of expected income from land and water rates; assessing royalties from common minerals (submitted to CRKh for approval); arrange LAR compensation action; development of land acquisition plans; and preliminary valuations of land to be acquired.

Land Resettlement Division

64. The Land Resettlement Division was established in February 2011 to acquire land for construction, urban development and utility networks from owners, possessors and users, with appropriate compensation. The division also implements CRKh resolutions. The division has been acquiring land in ger districts and rehouses in apartment buildings under Resolution 92 (2011) of the Capital City CRKh.

65. The division surveys land to be acquired for roads and construction; develops administration planning for acquired land; checks survey data against the database; and monitors action.

66. Under approved designs and drafts, division staff conduct surveys of land ownership to clarify the situation; and meet with land owners and possessors to acquaint them with the law and ALRC legal documentation.

67. It is also responsible for dissemination of information on planned buildings and facilities and raising public awareness on the importance of the facility, in cooperation with khoroo administration staff.

68. The division also archives all documentation related to land acquisition and notifies citizens and legal entities currently using the land or living or in the zones of road construction in buffer zones of the land to be acquired.

69. Should citizens and legal entities not make the land available by the stipulated deadline, the division will apply to the Capital City and district Governors for an resettlement process.

70. After the land is fully acquired, the division is responsible for formal handover of the land to developers; preventing further occupations in the area after it is acquired; and for appropriate entry in the database of changes of land parcels.

District land offices

71. By GoM Resolution 12 (2003), the structure of public administration agencies for the capital city was changed; subsequently the Capital City Governor established the CCLO and land offices in 6 central districts by Decree 58 (2003).

72. The CCLO and district Land Offices are responsible for implementation of land-related legislation in their respective areas: the Land Law, the Law on Privatization of Land to Citizens of Mongolia; the Land Fee Law; and all other relevant legal documents rules and regulations and City Governor's Action plan. They organize implementation of district land administration plans; oversee such implementation; regulate affairs between citizens and public administration agencies on land ownership, possession and protection; resolve land-related disputes; respond to requests and applications from citizens and legal entities; take action to redressing complaints; issue certificates; and collect land fees for formulating the budget revenue.

73. At present district land office staffing numbers are as follows: Han-Uul 12; Bayangol 10; Bayanzurkh 19; Songinohairhan 16; Suhbaatar 12; Chingeltei 3; and Nalaih 8.

74. District Land Offices support action by the CCLO Land Resettlement Division by notifying land owners, possessors and users and providing input and support for/to LAR action.

Roles and scope of involvement of agencies in land acquisition and resettlement

75. There is no formally-approved legal LAR documentation or specially designated law, while the existing legal environment only covers issues relating to land acquisition and compensation payment for state special needs.

76. The Law on Land, the Law on Privatization of Land to Citizens of Mongolia, and the GoM resolution approving rules for acquisition and/or expropriation of land for state social needs are the base documents from which the roles of LAR-related agencies have been defined.

TABLE 1. LEGAL RIGHTS AND LIMITATIONS OF AGENCIES RESPONSIBLE FOR LAND ACQUISITION, RESETTLEMENT AND COMPENSATION

Institutions		Scope of rights
1	Parliament	<ul style="list-style-type: none"> i. Land under state special protection ii. Land along the state border iii. Land allocated for defense and national securities purpose iv. Land given to foreign diplomatic missions and consulates and to representative offices of international agencies, v. Acquisition and release of land for state special needs for free trade zones and identification of boundaries and size
2	Cabinet	Pay compensation for land acquired for state social needs or to replace land owned by citizens and legal entities
3	Central public administration agency (MRTCUD)	<p>makes proposals to Government in relation to:</p> <ul style="list-style-type: none"> i. Land along the state border ii. Land allocated for defense and national securities purpose iii. Land given to foreign diplomatic missions and consulates and to representative offices of international agencies iv. Acquisition and release of land for state special needs for free trade zones and identification of boundaries and size
4	Public administration agency responsible for land affairs (ALACGaC)	Developing national-level general land administration plans and run land administration action at the national level
5	Citizens Representative Khurals of Capital City and Aimags	Make decisions on payment of compensation when land is acquired for special needs of aimag, capital city or soum before the land rent expires through submission by local Governor

6	All level governors (Aimag, Capital City, Soum and District)	Submit issues of land acquisition for special needs, based on consultation and agreement with the landowner, to the CRKh
7	Police	<ul style="list-style-type: none"> i. Implement Governor's decision to evict and to acquire land when land possession and use rights have legally expired and the possessor has been using the land without permission ii. Take measures laid down in rules and regulations if a land possessor or user opposes acquisition or resettlement in an organized way or uses force
8	Court	Resolve disputes on limited use of land owned by others and other land-related disputes, e.g. property-related disputes
9	Land owner and possessor	<ul style="list-style-type: none"> i. Citizens and legal entities possessing land shall consider and decide on a request from the authorized agency on land acquisition, compensation or replacement land and previous agreement with the land possessor for acquisition with compensation or substitute. Based on government decisions, the Governor of the respective area shall make a contract with citizens and legal entities for land acquisition with compensation or replacement. After the contract is concluded, unless otherwise stated in the legislation and/or the contract, the land will be vacated within 90 days and transferred to the area Governor ii. Under consideration of any previous agreement with the possessor on land acquisition with compensation or substitute, the value of property on the land that may be inseparable from the land shall be set at the prevailing market price and the land acquisition and vacating costs shall be reflected iii. Compensation to a land possessor shall be paid by the respective governor based on the decision made by the government under contract with citizens and legal entities and the land shall be acquired with compensation or substitute; compensation shall be paid from the central government budget to the respective Governor. iv. Based on Government decisions as stated in this law, the respective Governor shall make a contract with citizens and legal entities possessing land and shall acquire the land with compensation or substitute. Unless otherwise stated in the contract, compensation shall be paid within 60 days after conclusion of the agreement to the citizens or legal entities that previously possessed the land v. Based on government resolution, the respective Governor shall acquire the land after reaching agreement with citizens and legal entities with compensation or substitution; unless otherwise stated in the contract, the possessor shall vacate the land within 30 days of the compensation being paid vi. For citizens and legal entities, if disputing a land decision by a public administration agency officer, the dispute shall be resolved by a higher level authority or by court.
10	Land user	Compensation shall not be paid to citizens and legal entities using land.

ADD A SUMMARY ORGANIZATION CHART – (SHOW ALL AGENCIES AND LINKAGES)

4.1.4 PROJECT IMPLEMENTATION BY AGENCIES RESPONSIBLE FOR LAND ACQUISITION, RESETTLEMENT AND COMPENSATION

77. In this assessment, we studied current LAR practices and roles and functions of LAR stakeholders in road building, expansion and construction in peri-urban ger districts.

78. The Capital City CRKh approves the General City Development Plan, General Land Administration Plan and annual land administration plans and development programs.

79. Capital City CRKh Resolution 92 approved rules and regulations for land acquisition in peri-urban ger districts and building of apartment blocks in peri-urban districts. After approval of this development program, a Steering Committee was established to manage the overall process, chaired by the Capital City Governor; membership comprised representatives from MRTCUD, MNET, ALCGaC, Finance and Single Treasury Department of Capital City, CCLO, Capital City Specialized Inspection Department, Capital City Land Office, Capital City Construction, Urban Development and Planning Department, Capital City Roads Department, Capital City Property Department, Capital City Environmental Protection Department, Capital City Air Quality Office, Metropolitan Police Department and NGOs.

80. The Capital City Governor considers proposals from professional agencies such as the Roads Department and reaches decisions on implementation of the general plan and annual development programs. The local governor is responsible for the release of funds from the local budget for compensation and provides the CCLO and project unit with general guidance on LAR implementation.

81. The Roads Department and related agencies develop plans for road building and expansion and get the plans approved by submission by the Governor to the CRKh. Other agencies like CCLO do not participate extensively in the planning process. Once a plan is approved and implementation starts, depending on the funding source, the Roads Department and other related agencies start a bidding process for selection of a contractor.

82. When the CCLO accepts decisions made by the Capital City Governor and the CRKh, the project unit starts preliminary preparations for housing and construction projects by working with khoroo and section leaders, identifying households to be affected by development and collecting necessary information.

83. The CCLO Land Resettlement Division meets with land owners and possessors to negotiate compensation for land acquisition and resettlement; they negotiate the amount, which must not exceed the budgeted amount. Once agreement is reached, an initial 40% of compensation is paid, the rest to be paid after the land is vacated. In some cases NGOs represent households to be affected by land acquisition.

84. The Capital City Property Department values the land and facilities; under Government Resolution 103 (2003), the Property Department values each square meter of land at MNT 13,200 (MNT 100,000 per square meter for specific projects) and pays the compensation, (but the amount paid before the project started was MNT 100 000)?.

85. Compensation is paid to those affected in accordance with the valuation, although it may take some time to reach agreement with citizens because of increasing prices and land market values.

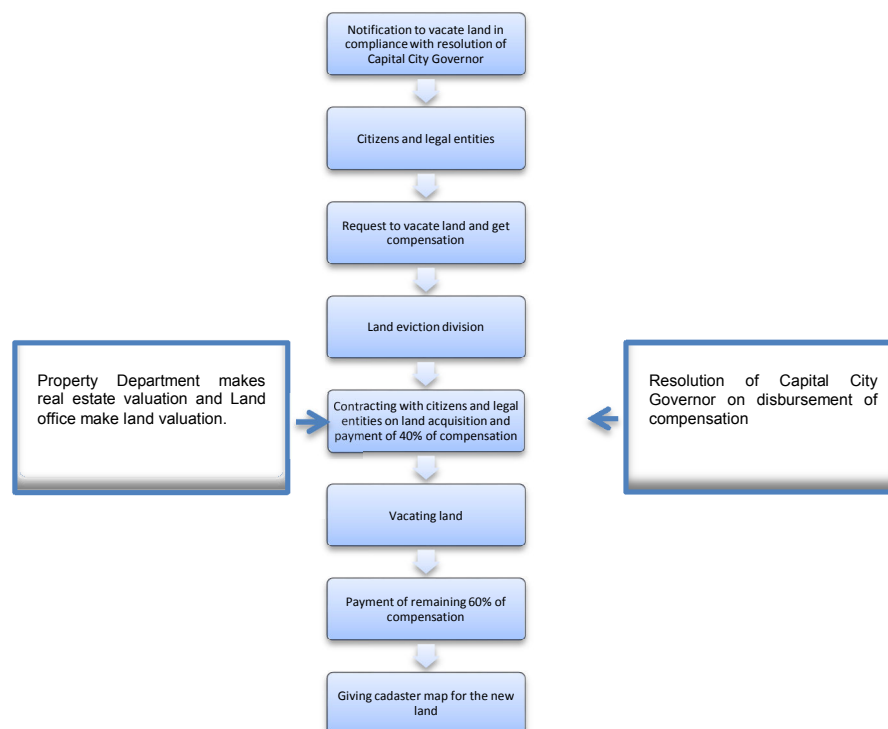
86. At present, land and property valuation for citizens and legal entities is carried out by authorized persons or bodies and compensation is calculated in advance.

87. Districts and khoros are involved in the process by assisting identification of citizens and legal entities whose interests will be affected, providing information about the affected community and facilitating meetings between CCEO and project teams with these citizens and legal entities. Basically the project team communicates with affected citizens and legal entities via khoroo and section leaders.

88. Construction companies and developers are also involved with land acquisition in peri-urban areas. They negotiate with land possessors and owners to buy the land. Compensation is paid in a variety of forms, including cash and replacement with apartments as well as other livelihood support and activities for social well-being.

89. Consultative processes with affected communities including discussion about development projects and effective dialogue have not been adequate. Citizens may hear about the development project with very short notice, so often have very limited options.

GRAPH 4 SEQUENCE OF LAR



7th micro-district project

90. Under Ulaanbaatar City Governor Resolution 163 (2008), the 7th micro-district project started in khoroo 311, Suhbaatar district, under the government's 40,000 Apartments program; land has been acquired and compensation paid.

91. The Housing Financing Corporation is funding land acquisition and resettlement for construction of Block G (for 1,008 households) in the 7th micro-district, and is working to disburse long-term mortgage loans. The project unit for the micro-district has been meeting with residents and is disseminating information on access to long-term mortgages.

92. In addition, 3 apartment buildings for 286 households in khoroos 9-12, Suhbaatar district, and 9 apartment buildings for 960 households on land acquired by Beren Construction KC are planned, with all utility networks.

4.1.5 INSTITUTIONS RESPONSIBLE FOR INFRASTRUCTURE

Capital City Road Department

93. The Roads Department is responsible for planning of road networks, road building, road maintenance and monitoring, as laid down in the Action Plan of the Government of Mongolia and the Capital City Governor under the Capital City General Development Plan.

94. The Department develops road building and expansion plans, to be approved by the CRKH after submission by the Governor.

95. After a plan is approved, the budget must be included in the annual investment plan; the Roads Department submits plans and location maps for the road building and expansion, and justifies the need to acquire land to the CCLO in October-November each year, acquires the land and organizes resettlement before the next year's construction season starts.

96. In cooperation with the CCLO Land Resettlement Division, the Roads Department draws up plans for LAR in compliance with the previously approved plan, and the Roads Agency conducts LAR actions to enable road construction contractors to work.

Civil Aviation Authority and Railway Authority

97. The CAA is governed by the Law on Civil Aviation and performs government duties for the civil aviation service. The agency is also responsible for implementation of government civil aviation policies, the Government Action Plan and the Social and Economic Development Key Directives. When necessary, CAA addresses the CCLO regarding land acquisition for special purposes.

98. Building and use of the rail system, running of rail transport, manufacturing and assembly of locomotives and cars, repair and maintenance and land-related issues are all regulated by special rulings, and the Railway Authority resolves LAR-related issues without CCLO involvement.

Minerals Authority

99. The Minerals Authority implements the Minerals Law, the Law on Sub-Soil and all respective rules and resolutions as well as the land-related policy in the Government Action Plan.

100. The Minerals Authority divisions are: Administration and Management; Geology and Research; Coal Research; Geology and Mining Cadaster; Mining and Research. Based on licenses issued by the Minerals Authority, the local CRKH identifies the location and size of mining land and includes this land in the annual land administration plan.

101. Aimag and Soum Governors decide on land privatization and ownership, which is then verified by contract between the Aimag Land Office and the Soum land administrator.

Agricultural land acquired by mining companies receives no compensation. At present, it has not been the general practice that citizens are compensated by the Oyu Tolgoi mine, although a few landholders have received such compensation. Agricultural land affected by mining and included in the mine lease may not be used until the land is fully reclaimed after mining operations end.

INTITUTIONS RESPONSIBLE FOR INFRASTRUCTURE DEVELOPMENT AND UTILITY NET

102. *Ulaanbaatar City Electricity Distribution Company* supplies over 50% of the electricity demand in the central region. The company works closely with local authorities to supply electricity to households coming to the capital and taking up residence in new settlement areas.

103. *Ulaanbaatar Thermal Distribution Company* supplies the city with district heating, installs and maintains underground pipelines, renovates heating networks in urban areas, introduces new technologies, assembles heat-only boilers and installs heating meters.

104. *Ulaanbaatar City Water and Sewerage Authority* is responsible for the drinking water supply, sewerage systems, and repair and maintenance of pipelines and facilities.

105. These agencies are responsible for the development of engineering and utility networks in the city development plan, annual infrastructure plans, new pipelines and networks for water, electricity, water treatment and thermal pipelines; their plans must be approved by the CRKh.

106. When these agencies get plans approved and budgets included in the Capital city investment plan, they submit drafts and blueprints for (amendment and) establishment of networks to the Capital City Land Office and get the land acquired and cleared, with evictions and resettlements before the warm season starts so that the agencies can start work in summer.

107. In partnership with the CCLO Land Resettlement Division, these agencies conduct land acquisition and resettlement as in their annual plans, and carry out installation and repairs. While these infrastructure agencies have no formal duties in land acquisition and resettlement, they often work with the CCLO to raise public awareness and disseminate information on infrastructure projects they are implementing.

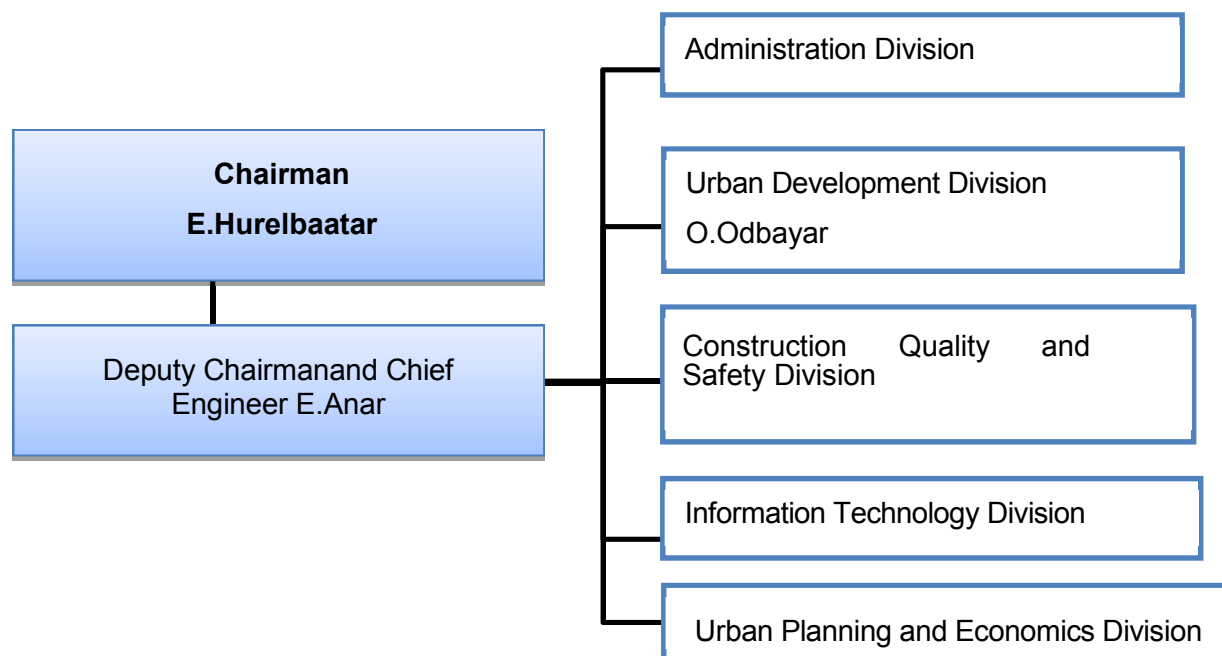
4.1.6 NATIONAL AND LOCAL LEVEL URBAN PLANNING AGENCIES

Capital City Construction, Urban Development and Planning Department

108. The Capital City Construction, Urban Development and Planning Department is an implementing agency under the Capital City Governor. The Department implements the urban development policy, developing and modifying the General City Development Plan, preparing sectional plans and monitoring implementation.

109. The Department decides on the location to be privatized or acquired and drafts a resolution for mayoral approval. It has 5 divisions, with no direct connection or reporting duties to ALACGaC. The Urban Development Division is responsible for planning general city development and submitting the Ulaanbaatar City Development Plan to 2020 for the Capital City CRKh for approval; it ensures and monitors implementation; and develops drafts and blueprints for utility networks; all such duties are relevant to LAR action.

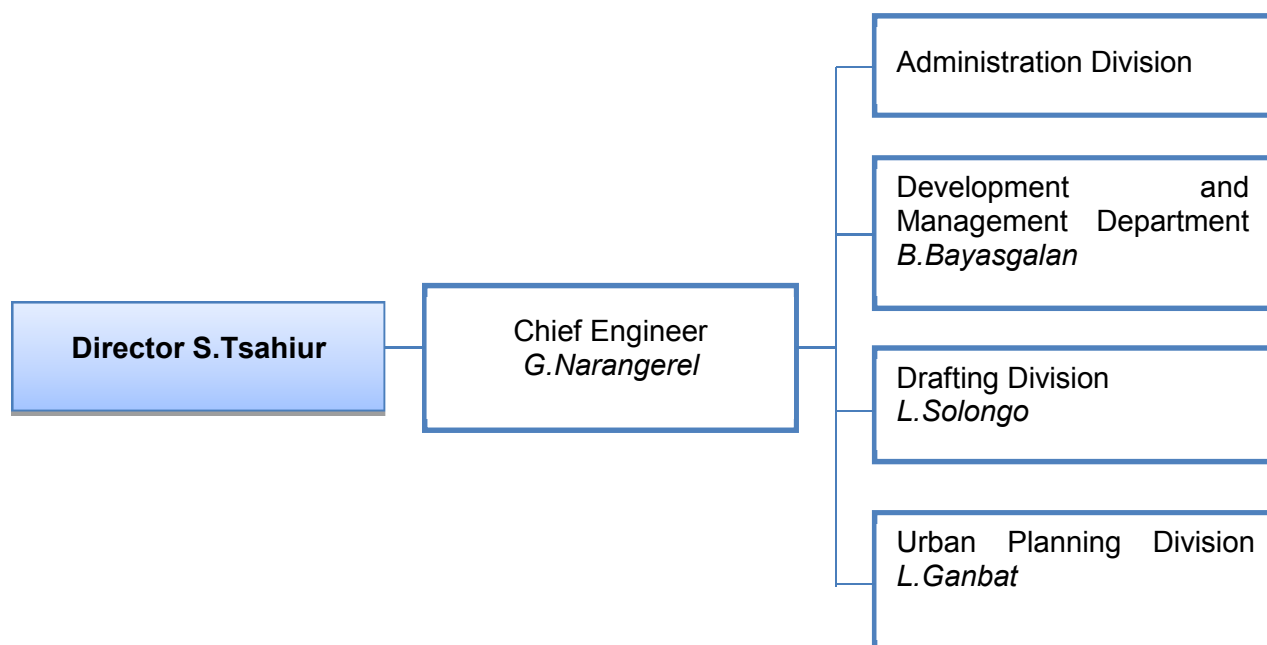
GRAPH 5 STRUCTURE AND ORGANIZATION OF CAPITAL CITY CONSTRUCTION, URBAN DEVELOPMENT AND PLANNING DEPARTMENT



CAPITAL CITY URBAN PLANNING, DRAFTING AND BLUEPRINT INSTITUTE

110. The institute is responsible for planning Mongolia's regional development programs, general urban development plans, general plans, industrial areas planning, engineering network planning and city infrastructure as well as the landscaping of residential areas, tourism complexes and parks and green areas, and developing blue prints and drafts in response other government agencies and legal entities.

GRAPH 6 STRUCTURE AND ORGANIZATION OF CAPITAL CITY URBAN PLANNING, DRAFTING AND BLUEPRINT INSTITUTE



4.1.7 CAPITAL CITY PROPERTY DEPARTMENT

111. CCPD is a public administration agency assigned to implement Actions Plans of the Capital City CRKh and Capital City Governor and Key Directives of Social and Economic Development; developing capital city administration decisions on property-related issues; and supporting implementation.

112. CCPD comprises 5 divisions: Administration Division; Property Oversight and Information Division; Property Management and Representation Division; Property Registration and Investment Division; and Property Privatization Division. The Department works with the CCLO Land Resettlement Division in order to set valuations on acquired land for compensation to former owners and possessors.

113. The CCPD uses a valuation methodology mandated in Minister of Construction and Urban Development Resolution 111 (6 July 2006), based on construction and size. For real estate valuation, the department uses international valuation standards.

4.1.8 OTHER ORGANIZATIONS

General Agency for State Registration

114. GASR was formally established in 2008 by merging three different registration agencies: the State Center for Civil Registration and Information, the General Agency for Property Rights Registration and the Office of Legal Entity Registration; it was established under direct supervision of the Deputy Prime Minister.

115. GASR implements registration-related legislation and is engaged in civil property rights and legal entity registration. GASR works closely with ALACGaC and its rural branches to access information necessary for land and land title registration.

116. For LAR, GASR is responsible for property registration after land is acquired and changes the rights registration on land acquired under CCLO contract.

4.2 STAFF PROFICIENCY AND EDUCATION

4.2.1 NUMBER OF PERSONNEL, POSITION AND ROLES

117. The MRTCUD's Urban Development and Land Affairs Policy Department has 8 staff and is responsible for overall land affairs and urban planning policy-making (see Table 2).

118. The Department has three staff in the area of urban development and planning. Currently, the Department has no specialist or designated officer for land acquisition and eviction. The table below shows the areas of responsibility of the department officers demonstrating that a particular specialist is responsible for variety of tasks.

TABLE 2. STRUCTURE AND ORGANIZATION OF URBAN DEVELOPMENT AND LAND AFFAIRS POLICY DEPARTMENT, MRTCUD

#	Position	# of staff	Responsible areas
1	Chairman of Department	1	
2	Deputy Chairman of Department	1	Managing day to day operations of the Department
3	Senior officer	1	Land management and administration planning, use of unified land territory, protection and reclamation
4	Officers	1	Urban planning, architectural planning
		1	Settlement, regional planning, engineering geology
		1	Land cadaster, geodesy and cartography
		1	Land ownership, valuation, fee and economic use of land
		1	Urban development and infrastructure
Total		8	

119. ALACGaC 's Land Administration and Land Ownership Division has 11 staff, and is responsible for national level land administration and management, land ownership and use and conduct oversight on the respective processes. The Division has officers responsible for each of the tasks, but no officer responsible for land acquisition and resettlement (see Table 4). The Cadastral Department has 18 staff total, and responsible for national cadastral information, land valuation, and registration.

TABLE 3. STRUCTURE AND ORGANIZATION OF CADASTER DEPARTMENT OF ALACGAC

#	Position	# of staff	Responsible areas
1	Chairman	1	Cadaster and information technology
2	Senior officer	1	Registration of unified land territory
		1	Land cadaster
3	Officers	1	Information technology
		2	Land cadaster certification and assurance
		1	Valuation of agricultural land
		1	Valuation of urban land
		1	Land fee and tax
		2	Urban planning cadaster database
		2	Information technology
		1	Land market
		1	Software
		1	Classification of unified land territory and public land
		2	Hardware and client software
Total		18	

TABLE 4. DEPARTMENT FOR LAND ADMINISTRATION AND LAND OWNERSHIP, ALACGAC

#	Position	# of staff	Responsible areas
1	Chairman of Division	1	
2	Senior officer	1	Land monitoring
		1	Land administration and management planning
		1	Land privatization and ownership
3	Officer	1	Land management database
		1	Agricultural land
		1	Land privatization planning and implementation
		1	Urban, infrastructure, manufacturing and mining land
		1	Land information system
		1	Land privatization and ownership information and reporting
		1	Border area and special purpose land
	Total	11	

120. As a representative sample of an aimag operation of the Department for Land Affairs, Construction and Urban Development, we selected Umnugobi aimag. Studies show that the department has mainly land administration, construction and architectural specialists.

TABLE 5. DEPARTMENT FOR LAND AFFAIRS, CONSTRUCTION AND URBAN DEVELOPMENT, UMNUGOBI AIMAG (EXAMPLE: UMNUGOBI AIMAG)

#	Position	# of staff	Responsible areas
1	Chairman of Department	1	
2	Senior officer	1	Land affairs
		1	Construction, urban development and services
3	Officer	1	Land administration, management and land ownership
		2	Land cadaster, geodesy and cartography
		1	Land fee, valuation and tax
		1	Construction technology and materials
		1	Construction oversight and inspection
		1	Housing and utility services
		1	Drafting and inspection
		1	Internal issues, archive and secretarial duties
		1	IT
		1	Soum level land affairs, construction and urban development
			Accountant
4		2	Driver
	Total	33	

- Add CCLO overview here – Introduction and org chart?
- Number of Staff

121. The CCLO Land Resettlement and Acquisition Division is newly established (2010)?, with 15 staff responsible for land eviction, acquisition, compensation, monitoring and evaluation. It has land administrators responsible for roads in 6 districts of the capital city. The division has sufficient staff to perform LAR actions in compliance with the law. However, the staff need training in their respective skill areas, should be sent on study tours to other countries and need access to short- and long-term training.

TABLE 6 STRUCTURE AND ORGANIZATION OF LAND RESETTLEMENT DIVISION OF CCLO

#	Position	# of staff	Responsible areas
1	Chairman	1	
3	Senior officer	1	
2	Officer	1	Legal issues
		3	Land administrator- land related disputes
		6	Land administrator- roads
		1	Geodesy
		1	Valuation
		1	Database
Total		15	

122. CCLO's Land Management and Planning Division has 12 staff, 7 of whom are responsible for urban planning and ger area re-planning. It is important to train and build the skills of these staff in city re-development and planning.

TABLE 7 Land Management and Planning Division, CCLO

#	Position	# of staff	Responsible areas
1	Chairman of division		
2	Senior officer	1	Management of operations of Land Management and Planning Division
3	Officer	1	Land administration and annual planning
4		1	Protection of land for restricted use
5		1	Ger area re-planning and development
6		1	Apartment blocks re-planning and development
7		5	Implementation of general city plan
Total		12	

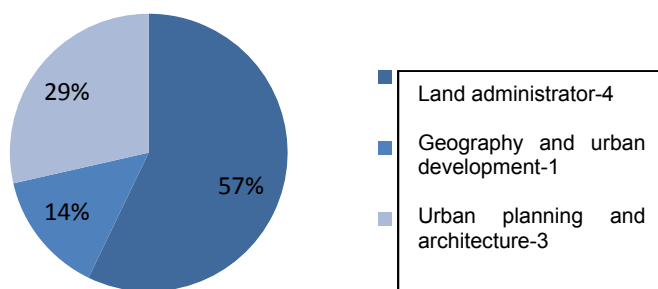
123. CCCUDPD's Urban Development Division has 19 staff, including those responsible for urban development, planning and utility network in 6 districts. The division has an adequate number of skilled and professional personnel; however staff training is necessary.

TABLE 8. URBAN DEVELOPMENT DIVISION, CCCUDDP

#	Position	# of staff	Responsible areas
1	Chairman of Division	1	Management of overall activities and operations of the division
2	Officer	1	Urban development plan, city development and exhibition halls
		1	Professional commission
3	Architect	11	6 districts for implementation of general city plan and oversight on implementation
4	Engineer	1	Thermal supply
		1	Electricity supply and communications
		1	Sewage systems and water supply
5	Urban development	1	Bayanzurh, Chingeltei, Han-Uul, Bagahangai and Nalaih districts
		1	Bayangol, Suhbaatar, Songinohairhan and Baganuur districts
Total		19	

ADD ROADS DEPT/AGENCY**4.2.2 LEVEL OF EDUCATION AND PROFESSIONAL QUALIFICATIONS**

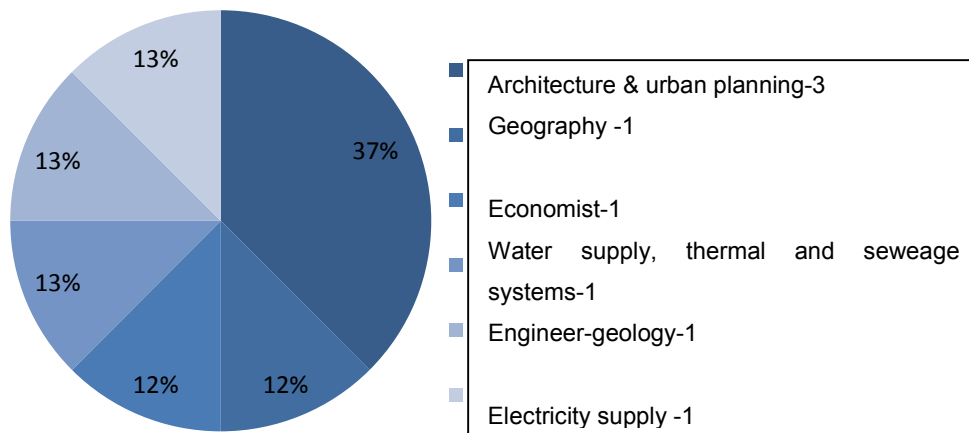
124. MRTCUD's Urban Development and Land Affairs Policy Department has 8 staff, 4 of whom are professional land administrators, 1 is in geography and urban development and 2 are professional architects and urban planners; 57% of all staff are land and infrastructure engineer/specialists.

FIGURE 1 URBAN DEVELOPMENT AND LAND AFFAIRS POLICY DEPARTMENT, MRTCUD

Urban Development and Planning Department, ALCGaC

125. Urban Development and Planning Department has 3 architects and urban planners, 1 GIS specialist, 1 economist, 1 specialist for thermal supply and sewage systems, 1 engineer-geologist and 1 specialist in power engineering; 37% of all staff are architects and urban planners.

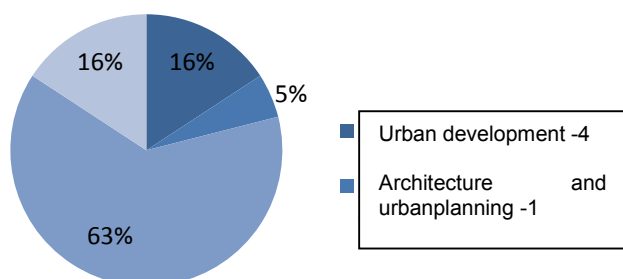
FIGURE 2 URBAN DEVELOPMENT AND PLANNING DEPARTMENT, ALCGAC



Capital City Construction, Urban Development and Planning Department

126. The Capital City Construction, Urban Development and Planning Department employs 1 specialist in urban planning, 12 in architecture, 2 engineers and 2 urban development; 63% of staff are architects.

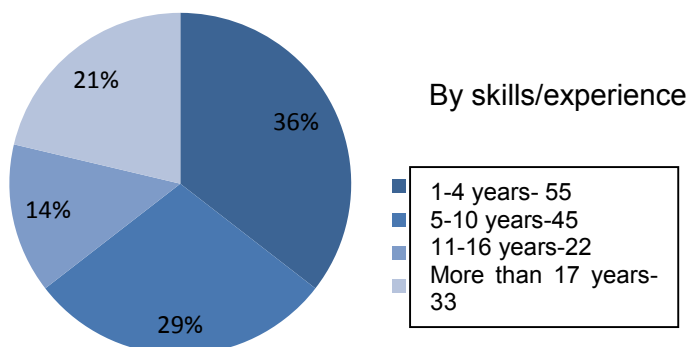
FIGURE 3 CAPITAL CITY CONSTRUCTION, URBAN DEVELOPMENT AND PLANNING DEPARTMENT



Capital City Land Office

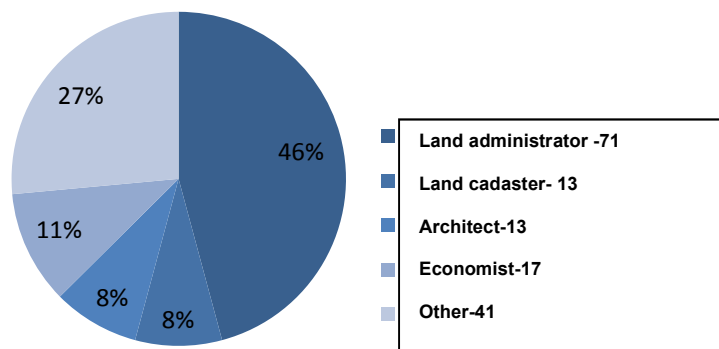
127. An overall view of the qualifications of all Capital City Land Office staff (total= __) shows the following qualifications and experience: land manager and administrator 71; cadaster specialist 13; architect 13; economist 17; others 41.

128. As to experience, 33 have worked for over 17 years, 22 for 11-16 years, 45 for 5-10 years and 55 worked for 4 years or less. Of all staff, 46% are land managers and administrators; 8% are cadaster specialists; 8% are architects; 11% are economists; and 27% are other. Of all CCLO staff, 36% have 1-4 years of professional experience, 29% 5-10 years, 14% 11-16 years and 21% over 17 years.



129. The above shows that 36% of all staff are specialists with a total of 104 years' experience. In age, the staff is relatively young with limited professional experiences, necessitating training and re-training. It is important to train and re-train land office staff to build their capacity to implement the LAR law (yet to be passed), to ensure community consultation process, and satisfy the local community about the planning process, which are international best practices considering and balancing needs of all stakeholders.

FIGURE 4 CAPITAL CITY LAND OFFICE

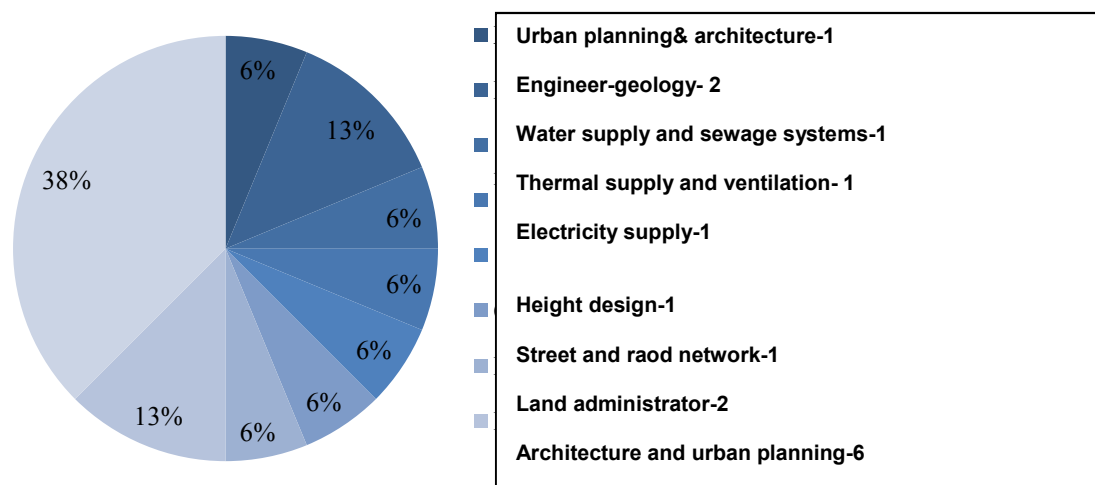


Capital City Urban Planning, Drafting and Blueprint Institute

130. Institute staff (total = __) are qualified as follows: urban planning and architecture 1; engineer and geology 2; water supply and sewerage system 1; ventilation and heating 1; electricity supply and power engineering 1; elevation surveying 1; road and street planning 1; land management 2; architecture and urban planning 6.

131. The institute is responsible for short- and long-term planning and drafting the outlook. If this is presented to citizens on a regular basis, citizens will have better knowledge and attitude towards housing projects, which will result in fewer citizens opting to encroaching in areas included in the plan, with the result of fewer obstacles and difficulties for LARC action.

FIGURE 5 CAPITAL CITY URBAN PLANNING, DRAFTING AND BLUEPRINT INSTITUTE



4.3 PRESSING ISSUES AND OBSTACLES

132. No LAR legal environment has yet been created, and the existing legal environment covers only land acquisition with compensation for state special needs (for national level projects).

133. Land acquisition and compensation is governed by Article 42 (Acquisition or return of land prior to expiry of contract) and Article 43 (Compensation for land acquisition prior to expiry of contract) of the Land Law, and Article 32 (Acquisition or return of citizen-owned land for state special needs with compensation or substitute) of the Law on Privatization of Land for Citizens of Mongolia. This legal coordination applies only to land acquisition for state special needs for national level projects by exchanging ownership, possession and use rights with other rights.

134. The MRTCUD's Urban Development and Land Affairs Policy Department focuses on urban development and land affairs policies and coordinating implementation of these policies, specifically developing LAR rules and regulations, reflecting LAR policies in legislation, developing rules, regulations and methodologies, and overseeing action; however the existing environment lacks sufficient legal grounds and coordination of agencies involved with LAR.

135. The agencies responsible for LAR either have no allocated officer, or the work is carried out by officers as their secondary duties. The lack of rules and regulations often results

in obstacles in development projects (construction of new apartment blocks for resettlement and improving infrastructure), holding up project implementation.

136. There is no agency responsible for LAR at the national level. Infrastructure development in the capital city is progressing faster than in the aimags, and LAR-related issues in the capital city are regulated only by resolution of the GoM, the Capital City CRKh or the Governor, or by temporary rules approved by these bodies.

ISSUES

137. For example, the Law on Privatization of Land to Citizens of Mongolia states that a landowner shall be notified about a decision to acquire or vacate land at least one year before execution of the decision, but this provision is often violated in practice; often authorities give only short notice to landowners, possessors and users affected by the project, and acquire the land with compensation within a short period, without considering the concerns of affected communities.

138. The law also says that compensation shall be negotiated with the landowner, but this is often resolved in a forcible or administrative way, without proper negotiation.

139. Compensation for the land is to be based on the current market price per square meter, as preferred by the owners, but such involuntary settlement and acquisition is less common. A resolution of the Capital City CRKh has set compensation per square meter of land at MNT 100,000.

140. Those whose land is acquired are usually more interested receiving compensation at the prevailing market price. There is a strong need to legalize the social issues of affected persons and improve social welfare and protection of these people, otherwise LAR leads to negative consequences.

141. For land owned by a citizen, the landowner and the local governor may negotiate and reach agreement; a government resolution is then issued, followed by the local governor organizing the land acquisition and resettlement action through a designated agency. If the parties can not reach agreement, the landowner may submit his/her complaint to an upper level governor or government agency in the court.

142. Depending on the type of development work in the capital city, roles and involvement of LAR agencies vary greatly. Agencies requesting land acquisition or demolition often fail to include their development work comprehensively in long-term plans, so the need for resettlement may emerge suddenly, allowing only short time for action.

143. Infrastructure development works (i.e. road widening or construction of a new road) and building of apartment blocks in peri-urban areas have been extensive in Ulaanbaatar city, so the Capital City Road Department, Transportation Department and utility network agencies are more involved with LARC activities and are playing key roles.

144. These agencies develop draft plans for new roads, utility networks and buildings based on the General Plan for Ulaanbaatar City Development up to 2020, the City Urban Development Plan and the Capital City Land Management Plan; they then participate in LAR actions in cooperation with the CCLO.

145. The CCLO's Land Resettlement Department is the key division handling LAR-related operations. The division mainly works in land acquisition and compensation and in internal

oversight and monitoring, delivering notification of land acquisition to the affected person, making land acquisition agreements with legal entities and paying compensation.

146. The CCLO's Land Valuation and Fees Division assess the value of land acquired and land affected by the acquisition.

147. As the process does not require early-stage involvement or participation of the affected community in consultative processes, this may result in disputes and conflict between affected persons and public administration agencies. Such omission is caused by the absence of clear LAR-related duty specifications in agency structures or job descriptions of public relations or land officers.

148. Moreover, LAR-affected citizens often lack knowledge about relevant legislation, so do not know where and how to address their concerns. There is also no mechanism to ensure that stakeholders perform their duties in compliance with legislation or to protect the rights of affected people or to ensure LAR implementation is undertaken correctly.

149. It is important to develop a capacity-building plan, with professional qualifications, public outreach and training for public agencies in relation to the new legal environment, with consideration of the forms of stakeholder engagement, responsibilities and duties.

4.4 TRAINING NEEDS

150. In relation to the development of a draft LAR Law, there is a strong need to raise public awareness on concepts of the new law and to run information dissemination and training/promotion activities for Government officials so that implementation systems are properly established.

151. To raise LAR-involved agency staff awareness before enforcement of the legislation, it is necessary to create comprehensive and unified knowledge and understanding about rules, regulations, standards and methods among the stakeholders, and build personnel capacity, and we assessed the training needs of public agencies and officers, observing that there is a need for short-, medium- and long-term training at an advanced level.

152. Short- and long-term training must be provided to LAR-involved agency staff on the following topics.

1. Land acquisition and resettlement, roles and participation
 - ✓ Rights and duties of affected persons
 - ✓ Third party affected by land acquisition
2. Mechanisms for implementing resettlement law (procedures)
 - ✓ Rules and regulations on implementation of law
3. Organization of land acquisition and resettlement
 - ✓ Stakeholders in LAR
 - ✓ Rules on organizing action on land re-arrangement and re-planning
 - ✓ Ways to redress complaints and resolve disputes
 - ✓ Mechanisms for coordinating funding and budget
4. Social protection system / social impact assessment
 - ✓ Understanding of social protection
 - ✓ Mechanisms to protect the vulnerable affected by LAR
5. Resettlement planning and Budgeting
 - ✓ Planning of LAR action
 - ✓ Coordination mechanisms for LAR action

6. Property valuation
 - ✓ Property valuation methods
 - ✓ Preliminary valuation methodsMethodologies to identify compensation valuations
7. Compensation
 - ✓ Regulations on compensation (land as well as moveable and immovable property)
 - ✓ Negotiations and contracts
8. Mechanisms to ensure citizen participation in land re-planning
 - ✓ Ways to ensure community engagement
 - ✓ Roles and participation of agencies and types of engagement
 - ✓ Grievance redress mechanism
9. International practices for LARC
 - ✓ International best practice in mediation services
10. Information dissemination to the community
11. Inspection and auditing
 - ✓ Types of monitoring and evaluation of LAR and the monitoring and evaluation system

V. ORGANIZATIONAL STRUCTURE FOR IMPLEMENTATION OF THE PROPOSED DRAFT LARC LAW

5.1 INSTITUTIONAL STRUCTURE FOR IMPLEMENTATION

153. The proposed roles and functions of central state administrative and local implementing agencies in relation to LARC are identified, below.

154. The proposed draft LARC (reference latest draft) law highlights the interests of affected persons rather than simply giving more authority to central state administrative and implementing agencies, and proposes that the planning process be open and transparent to the community. It also emphasizes satisfaction with the amount of compensation and improvement of the livelihoods of vulnerable groups, as part of the duties imposed on public agencies.

155. In land management practice and legislation, LAR issues were not clearly stated as the duty of any administrative or implementing agency, so that many difficulties have arisen in the last few years. The proposed law aims to regulate such issues and problems.

156. Implementation of the proposed law prioritizes mediation mechanisms between stakeholders; to this end, public agencies are required to have designated staff responsible for public relations and community engagement, or at least to include such duties in the job descriptions for existing staff.

157. Community information must be disseminated from the very beginning of the project, when it is initiated, and authorities need to use community engagement methods so that all stakeholders may participate in a transparent process.

158. Professional agencies need to consider training and re-training staff responsible for LAR, with an emphasis on engagement with citizens, enabling them to facilitate negotiations and resolve grievances, with consideration of the culture and livelihoods of affected communities. Structure and organization should also be reformed with consideration of such needs.

159. The new draft law extensively reflects the rights and scope of engagement with local self-governing organizations, especially local citizen representative bodies. The concept of the law reflects that a citizen's right to own, possess and use land may be compulsorily affected for the benefit of the general public; however, it also sets forth the obligation to improve the livelihoods of affected persons and clearly identifies the scope and integration of implementing agencies in relation to these concepts. It also provides due process to appeal decision and compensation amounts.

5.1.1 STATE GREAT KHURAL AND LOCAL SELF-GOVERNING ORGANIZATIONS

State Great Khural (Parliament)

160. Parliament shall have full authority and all rights regarding LAR. If considered necessary, parliament may decide to release national or local land from special needs and allocate the necessary funding for actions related to such decisions.

Aimags and Capital City Citizens' Representative Khurals

161. Aimag and Capital City Citizens' Representative Khurals make decisions on land acquisition for national or local special needs as well as on land for public use; they approve necessary expenditure and budgets and give opinions and conclusions on a draft decision on land acquisition.

162. Aimag and Capital City Citizens' Representative Khurals will be responsible for approving LAR plans, establishing mediation councils for dispute resolution, and when necessary, establishing a temporary committee to study land acquisition, resettlement and compensation issues, develop proposals and monitor implementation of legislation, rules and regulations. Aimag and Capital City Citizens' Representative Khurals will also be authorized to make a decision to expropriate land.

Soums and District Citizens' Representative Khurals

163. Within the framework of national and local need, public need and urban re-planning schemes, Soum and District Citizens' Representative Khurals will initiate programs and projects, subject to approval by the Aimag and Capital City Citizens' Representative Khurals. They will also be able to offer opinions and recommendations about land acquisition and appoint representatives to any mediation council.

Baghs and khoroo community meetings

164. Within the framework of national and local need, public need and urban re-planning schemes, Soum and District Citizens' Representative Khurals will initiate programs and projects, subject to approval by Aimag and Capital City Citizens' Representative Khurals. They will also be able to offer proposals and opinions on any decision to vacate and acquire land for local needs.

5.1.2 AGENCIES RESPONSIBLE FOR LAND AFFAIRS (proposed changes)

MRTCUD

165. MRTCUD, the central state administrative agency in charge of land affairs policy, will review and oversee national and local special needs land, public land and draft plans for city re-development are implemented in conformity with the policy.

166. In cooperation with the state administrative agency in charge of finance and budget, MRTCUD will develop a methodology to assess compensation for persons affected by land acquisition and resettlement, and develop rules and regulations on administrative procedures with regard to the process to protect the rights and social welfare for affected persons (in cooperation with the state administrative agency in charge of social welfare).

ALACGaC

167. ALACGaC, the public administration agency in charge of land affairs, will be responsible for (implementing LAR activities, and) overseeing activities implemented by local government.

168. ALACGaC must conduct its LAR activities under the system laid down in Article 23.1 of the Land Law (through land offices of aimags and districts).

169. Any initiator of development projects, programs and activities may submit a request for implementation of plans and propose land acquisition, resettlement and compensation. ALACGaC will review each proposal and allow implementation at the expense of the implementer for performance of projects and plans.

170. ALACGaC, in cooperation with the initiator of a project, will disseminate LARC information and hear community complaints and opinions, ensure that operations are overseen, and implement projects or programs in partnership with initiators.

171. It will also be responsible for entering data about acquired and expropriated land in the land database and transfer this data to the party responsible for management and implementation of action.

172. Within this framework, ALACGaC will facilitate decisions on resettlement and acquisition made by authorized agencies, and when necessary submit claims on land and house resettlement to the court. In using the authority granted by this law, ALACGaC will provide guidance to aimag and capital city land offices and oversee implementation.

Aimag and Capital City Land Office

173. Within the framework of national and local level special needs for land, public use and the city re-designing process, an Aimag or Capital City Land Office shall implement a development project with the project initiator, and will have free and quick access to all documents related to the project.

174. Aimag and Capital City Land Offices, in implementing legally granted rights and duties, will provide soum land administrators and district land officers with guidance and management to ensure implementation of all duties. The CCLO will have representation on the Project Steering Committee and will manage the project through the project implementation unit.

175. The Land Management and Planning Division of Aimag and Capital City Land Offices shall identify location of land acquisitions for LAR, while the Land Resettlement Division shall organize action to vacate land through sale and purchase agreements and prepare the land for further work.

176. The Legal Division of Aimag and Capital City Land Offices shall provide consultation to the Project Steering Committee and the project implementation unit. The department will also develop draft sales-purchase agreements and other legal documents, and provide legal consultation to the CCLO Chairman in addressing complaints and grievances submitted by citizens and legal entities.

Capital City Property Department

177. The Property Department remains responsible for valuations of land and other property not separable from the land; however it may commission a licensed valuator on a contractual basis or engage full-time staff.

5.1.3 LAR MEDIATION COUNCIL (proposed)

178. The Mediation Council will be an ad hoc council established under the local governor and will engage in public oversight of the LAR process and take action to resolve LAR-related disputes with recommendations, conclusions and opinions. It will provide non-judicial dispute resolution.

179. The Council shall be established, within 22 working days of a land acquisition decision by Aimag and Capital City CRKh.

180. A LAR Mediation Council may be established if the land to be acquired comprises [mostly empty parcels], or if more than 20 persons are involved with the LAR and claim to lose at least 10% of their asset value.

181. If the area to be acquired covers two or more administrative units, a Mediation Council shall be established at each unit. Councils at the units shall operate separately, but when necessary will negotiate and make joint decisions.

182. If two or more development projects require land acquisition, one Mediation Council may resolve issues and disputes related to both projects.

Composition of Mediation Council

183. A Mediation Council shall comprise a chairman and members. The office of the respective Citizens' Representative Khural shall be the office of the Mediation Council.

184. The Mediation Council shall comprise at least 11 members, including the following: aimag or capital city representative, a citizen elected from the respective administrative area (1 person); soum representative, a district citizen elected from the respective administrative area (1 person).

185. Representatives of those affected by land acquisition, proposed by residents and business organizations from the respective administrative area (2 persons: 1 representing residents, 1 representing businesses); a representative of the soum and district social welfare organization (1 person); a representative of the organizer in charge of the development project or activity (1 person).

186. Representatives of non-governmental organizations working in human rights and land acquisition (up to 4 persons); an independent lawyer specializing in land and immovable property legislation with at least ten years' experience in this field; an independent appraiser specializing in land and immovable property valuation with at least ten years' experience in this field; and an independent land (management) specialist specializing in land-related issues with at least ten years' experience in this field.

187. The costs of the activities of the Mediation Council and incentives for its members shall be borne from the costs (budget) of the respective development, project or activity.

Rights and responsibilities of Mediation Council

188. When issuing recommendations for resolution of land acquisition, resettlement or compensation disputes, the Mediation Council shall balance the interests of all parties and suggest settlement in an extrajudicial way, i.e. through mediation, consistent with the principles in this law. The Council shall obtain all necessary information, materials and documents on land acquisition, resettlement and compensation from concerned parties when fulfilling its duties.

5.1.4 POWER OF LOCAL GOVERNORS (proposed changes?)

189. Aimag, Capital City, Soum, district, bag and khoroo governors shall exercise the following powers regarding land acquisition, resettlement and compensation: initiate the development, project or activity as specified in the law; implement land acquisition, resettlement

and compensation activities in accordance with this law as well as the Law on Mongolian Administrative and Territorial Units, its administration and with other legislation.

5.1.5 ORGANIZATIONS IN CHARGE OF INFRASTRUCTURE (proposed changes)

190. Organizations in charge of infrastructure development and maintenance shall prepare and submit general development plans, new construction plans, expansion or improvement projects to the Capital City CRKh, while ensuring the community consultation process and calculating compensation.

191. These agencies are obliged to make public their plan for new construction, expansion and repair of utility networks and pipelines for the respective year and make this information accessible to stakeholders.

5.1.6 URBAN PLANNING INSTITUTIONS (proposed changes)

192. Urban planning institutions must reflect in their plans how to limit resettlement, keeping the amount of resettlement as low as possible, whilst also publicizing information about areas where development projects are planned so that there may be protection from additional or new settlement in the area; in this case, the agencies must work with the CCLO.

5.1.7 LAND AND REAL ESTATE VALUATION AGENCIES

193. The Property Department carries out valuation of property inseparable from the land by considering the market price of building materials, labor and transport costs, contractors' costs and other operational costs. Such valuations for compulsory acquisition will not take account of depreciation or the value of re-useable materials.

194. The Department will present property valuations in each hashaa to the CCLO's Land Resettlement Division. The ALACGaC and project organizers/implementers will work together to identify a preliminary valuation of land acquisition and resettlement, the required budget and financing, operations and social impact.

5.1.8 PRIVATE SECTOR AND NGOS

195. Commissioning social impact assessment consultants will play a key role in identifying potential societal impacts from LAR and whether such impacts are significant or minor. They will also define the amount of compensation based on the impact and assess potential income of affected communities.

196. Such social impact assessments must be carried out by independent entities such as NGOs or private sector or professional assessment consultants.

197. In compliance with project procurement rules and regulations, the project implementer will prepare for consultant selection and draft ToR. If the social impact of the project is assessed as minor, officers of project implementing agencies may conduct the social impact assessment.

5.1.9 OTHER ORGANIZATIONS

Capital City Specialized Inspection Department (Proposed)

198. Specialized inspection of LAR processes and compliance with rules and regulations shall be carried out by a specialized inspection agency and inspectors within the framework of the Law on State Inspection and all other relevant legislation.

Auditors

199. The government, the central state administrative agency in charge of land affairs (MRTCUD), (ALACGAC)the public administration agency in charge of land affairs, the RKh and Governors of aimags, Capital City, soums and districts shall oversee and inspect compliance with legislation in the LARC process, as assigned by the Law on State Audit and other related legislation.

200. In coordinating on land acquisition and resettlement, it is necessary to ensure oversight by a professional third party and the community. Therefore, an independent third party monitoring and evaluation organization must be selected and commissioned in response to the ToR developed by the project implementer and approved by ALAGAC, The specialist shall monitor and oversee negotiations, compensation processes, property valuations and the agreement process for land acquisition.

201. The monitoring and evaluation contractor must also verify implementation of a resettlement action plan, highlighting compliance with all regulations concerning support from implementers, compliance with the approved entitlement matrix, payment of compensation, proper preparatory stage for land acquisition and resettlement, the resettlement process, restoration of livelihoods or income levels and evaluation of any increase and growth in livelihoods and income levels.

Agency for implementation of court decisions

202. If a person affected by the LAR fails to vacate the land within a period stipulated in written notifications submitted, the public administration agency in charge of land affairs shall submit a claim to the court for eviction.

203. Claims submitted to the court on resettlement from land shall include all evidence, including valuation of compensation, land acquisition and resettlement documents, and verification of other support rendered to the affected persons. The court shall review the claim and make a decision in compliance with the respective legislation.

204. If a court releases a decision to facilitate land eviction, the agency for implementation of court decision shall perform proper action to evict the person from the land; however, the affected person shall have a right to appeal the compensation amount, although this will not serve as grounds to postpone implementation of a court decision.

VI. 5-YEAR CAPACITY DEVELOPMENT PROGRAM

6.1 5-YEAR CAPACITY DEVELOPMENT PROGRAM FOR ORGANIZATIONS RESPONSIBLE FOR IMPLEMENTING THE LAW ON LAR

205. In relation to planned approval and enforcement of Law on Land Acquisition, Resettlement and Compensation (LARC), a five-year capacity development and staff training program for policy level and administrative agencies has been developed.

206. Specialists at all levels must be properly trained through an accurately developed training plan that fits the concepts of the proposed law, content and its implementation systems in order to enforce the law; for this purpose, a budget has been projected in preliminary form.

207. In addition, training sessions community on communications and information, engagement with local government and citizens, running an independent monitoring and oversight system in the LARC process, dissemination of the concept of the law clearly and accurately to the target group and boosting citizen participation have been developed in a module format.

208. Training sessions have been designed for the staff of agencies responsible for policy-making and implementation of LARC actions, with particular consideration of their relevance to the issue.

209. Before this proposed law is enforced, it is necessary to raise the awareness of all stakeholders of the rules, regulations, standards and methodologies that are part of the legal environment. Training sessions will play a key role in enabling the respective officers to be trained in thoroughly-developed training sessions before the new law is implemented.

210. In addition, a form of training of trainers (ToT) has been selected for training in the proposed law and persons selected to take part in regional and aimag/soum/district based training sessions. On-job training and re-training have also been designed, along with study tours for exposure to international best practice. In relation to this part, a budget has been projected for each training session.

211. Proposed training sessions have been divided into four phases: for the initial two, we plan to train trainers, as well as providing training to national level administrative and implementing agencies. In the third phase, training will be provided to citizen representative bodies and local government agencies in the aimags, capital city and other cities, whilst phase 4 is planned to target soum- and district-based officers, property valuation specialists and other representatives of private sector (see attachment 1).

212. To run these training courses, it will be necessary to include representatives of agencies responsible for financing project and related compensation, dispute resolution and mediation agencies and grievance redressing bodies.

213. The above training courses are planned to take place for a short period (5 days) in Year 1, driven by a detailed and approved training plan.

214. Mid-term training courses of any type can be run at any stage, based on the findings of survey evaluations, so the projected budget for the last 4 years has been based on the Year 1 budget.

215. Advanced and specialized training courses will be run based on the results and outcomes of previous short, medium and long term training courses.

6.2 GENERAL LAYOUT OF CAPACITY DEVELOPMENT PROGRAM

216. MCUD will be the key agency in charge of assigning policy level tasks, while ALACGaC will be responsible for implementing overall activities.

217. ALACGaC will be the agency undertaking preparatory work for training, with support from ADB, and will train at least 4-5 trainers in each module, to a total of 20-25 trainers who will provide further training to regional- and aimag-based short-, mid- and long-term training courses over the 5-year period for staff of aimag, capital city and district land offices and for other agencies that have been identified by this assessment as important to be trained. Therefore, agencies in aimags and the capital city should prioritize sending their staff to training courses.

218. National level training will be held in Ulaanbaatar, in which representatives of agencies responsible for land acquisition and resettlement and other agencies will participate. MRTCUD will organize and facilitate such training courses at the national level.

219. For regional training, we have divided the aimags into four regions: central, eastern, western and Gobi. Short-term initial training courses will be held in each region, while short- and long-term training courses could be delivered through on-job training. In addition, training courses will be held in Ulaanbaatar and other cities, organized and facilitated by ALACGaC, as planned.

220. As we have planned for soum- and district-based training, it would be optimal for local government agencies to organize these courses.

221. A working group and MRTCUD and a project team will manage and coordinate all action related to organization of the courses.

6.3 TRAINING PROGRAM

6.3.1 TRAINING TYPE AND FORM

222. Training in the Law on LARC, and other follow-up rules and regulations will be run in module form, with five sections.

223. Module 1: Social impact assessment and amount of compensation

1. Decision-making and preliminary valuation methods
2. Social impact assessment
3. Methodologies to set the amount of compensation
4. Property valuation and valuation methods
5. Mechanisms for coordinating financing and budget

224. Module 2: Social protection in land acquisition and resettlement

Issues for house relocation

Issues for loss of livelihood

Issues for partial losses (assets and income)

1. Social protection system
2. Understanding social protection
3. Information dissemination methods
4. Protecting vulnerable groups in LARC
5. Resettlement planning
6. Rights, duties, aims and involvement of affected persons
7. Third parties affected by land acquisition
8. Rules on organizing work for re-planning of land and management
9. Organization of land acquisition and resettlement
10. Mechanisms to ensure citizen engagement in land re-planning
11. International practices in land acquisition and resettlement

Module: Preparing a resettlement plan.

225. Module 3. Implementation of resettlement law

1. Rules and regulations on implementation of the law
2. Coordinating mechanisms for LARC
3. Stakeholders in the LARC process
4. Planning for LARC
5. Other related legislations
6. Resettlement planning
7. Compensation rules
8. Resettlement contract

226. Module 4. Ensuring engagement and participation

1. Types and ways to ensure citizen engagement and participation
2. Roles of stakeholders and cooperation types and forms
3. Mediation mechanism, other practices, advantages and weaknesses

227. Module 5. Monitoring of LARC process

1. Ways to redress complaints and grievances, dispute resolution
- 2.

Types and forms of monitoring and evaluation of LARC (Monitoring and supervision of implementation versus external independent M&E)

3. Inspection, oversight and audit

228. The 5 modules above are divided into 36 training themes. Curricula should be formally approved by the relevant ministry and agency after the law is passed. Trainers are in three groups and should be sent for study tours in advance (as trainers will be selected from professional agencies), which will bring several benefits.

229. Re-training will be run once every four years in local areas, or run in the same format as for Year 1.

Study tour

230. A study tour to countries with similar conditions (as analyzed in the phase 2 of ADB project) is planned, to China (Inner Mongolia), Australia and Korea, to take place once a year for three consecutive years.

231. The first study tour could be to Inner Mongolia, as it is close to Mongolia and could thus be more economic, with an adequate number of participants in the study tour group. It is suggested there should be a minimum of 12 people, including 5 trainers. In addition, it will be important to include representatives of local government and implementing agencies.

232. A second study tour is suggested to Korea for 8 participants; the last, to Australia, should be for about 5 participants. The average cost for the study tours, based on 25 persons, would be based on the benchmark budget of international agencies (see attachment 2).

Training of Trainers

233. Trainers need to be selected from staff at the ministry and agencies, as they will be most likely to maintain their employment longer term, and also because they will be more likely to meet requirements in terms of proficiency. Therefore it will be necessary for the ministry to assign line agencies to include these training courses in their work plans once the law is passed. It would be appropriate to select from staff of ALACGaC, urban development agencies, aimag and capital city land offices as the trainers.

234. Training of trainers will be run under MRTCUD-approved curricula, and it is also important to have sessions on legislation to be developed in partnership with the Ministry of Justice. Also, legal documents developed by the project, with handouts and brochures, need to be prepared, with reference materials. A set of handouts with the concept of the new law and other rules and regulations will also have to be prepared for the trainees.

235. MRTCUD will assign respective agencies to send their staff with formal leave from their work, and this should be by official letter.

236. All trainees must attend all modules and be trained at the highest standard so that they are fully competent to train others.

237. At least 25 trainers should be trained. For the best professional skills and proficiencies, it would be better to select people with expertise in land affairs, law and urban planning, which will enable them to understand the topic quickly (see attachment 3).

238. Trainers will be trained by national and international consultants working for MRTCUD and ADB and the courses should last at least 5 days.

6.4 ORGANIZATION OF TRAINING CURRICULUM

6.4.1 TRAINING AT AIMAGS AND CAPITAL CITY

239. National level training courses should be for at least 80 participants representing the central administrative agencies, to be held in Ulaanbaatar (see attachment 4).

240. Agencies in the aimags and capital city assigned to run training will submit lists of participants to ALACGaC with proposals on budgeting and logistics prior to the courses. As first option, we propose 4 regional training courses (central, Gobi, eastern and western) to be held at regional centers, facilitated by 4-6 trainers for 70-80 attendees in each region, with a total of 285-320 trainees for the 5-day training courses (see attachment 5).

241. A second option could be to send the trainers to all 21 aimags for training on the spot.

242. Training courses to be held in the capital and other cities could be held near Ulaanbaatar or in Darhan (see attachment 6).

243. Advanced and mid-term training courses should be provided in a local area as on-the-job training or training sessions could be held in the same way as the Year 1 training courses.

6.4.2 SOUM AND DISTRICT BASED TRAINING

244. Aimag and capital city trainers will provide training to officers working at district and soum level, and the costs for such training have been projected for each aimag (see attachment 7).

245. We propose a minimum of 5 trainers for each aimags; the number of soums to be involved has been identified, based on that minimum.

246. Administration of each local government will list its course participants (officers of soum and district), which will be submitted to the organizers in the capital city, to be followed by negotiation of logistics (transport, accommodation etc.) for the course.

247. For the first training session, aimag and capital city land offices should play key roles. Holding training courses outside the city will ensure proper attendance and better quality training.

248. At least 5 participants should represent each soum; about 15 trainees representing all related agencies in the district would be appropriate (see attachment 8).

6.5 IMPLEMENTATION OF TRAINING

249. As the main training program strategy, we have selected the dissemination of knowledge and capacity in an incremental way, to be followed by strengthening of capacity in the following years, ensuring continuous improvement.

250. Training course phases will include ToT, national level training, and aimag and capital city level training, the last phase being regional training for soums and districts.

251. To ensure participation, training sessions will be facilitated in a participatory way.

252. As all agencies must create conditions for stable work by their trained staff, they must engage with organizers at levels from planning to approval and implement the training lessons.

6.6 BUDGET FOR 5-YEAR CAPACITY DEVELOPMENT PLAN

253. An integrated budget for the entire training program has been developed, based on each individual training course. If each course comprises 4 phases, 2,165 trainees will be involved in total.

254. Budget for each course has been projected at five days, with necessary costs including transport, trainer wages, handout materials and per diems.

255. Costs for the study tours have been estimated for the first three-year period assuming a total of 25 people to visit China, Korea and Australia; this total is estimated at US\$ 46,400.

256. The first step, ToT, has been allocated a projected US\$21,650, while the national level training has been budgeted at a cost of US\$18,400.

257. US\$10,950 has been projected for the capital and other city training courses, while a total of US\$23,100 has been allocated for district-based training courses.

258. Regional training for aimags will cost an estimated US\$238,296, while soum training will cost an estimated US\$410,592.

259. For LARC training of staff of all agencies (central, capital city, all aimags, soums and districts) under this 5-year capacity-development plan, a total has been estimated of US\$3,661,340 (first year used a sample, see attachment 9).

260. Payment to trainers is found to be high as we pay on a per diem basis over five years; transport and per diem comprise the major part of the total cost.

VII. RECOMMENDATIONS

261. Currently, drafting of the Law on Acquisition, Resettlement and Compensation is underway. The outcomes of the Working Group at the MRTCUD and guidance provided by the minister demonstrate that approval of this law is necessary as the existing legal environment lacks a precise coordination environment for land acquisition and resettlement. Although the proposed law will be implemented in the whole country's interest and to meet broad social needs, it also plays a key role in citizen social welfare and compensation, according to the survey. Therefore, it is truly important to consider citizen concerns and opinions.

262. Analyses of the current LAR legal environment show that the current practices of land acquisition and resettlement are governed solely by negotiation and resolution, without legislation to resolve LARC-related issues.

263. Rights, responsibilities and functions of existing LARC-responsible agencies are inadequate, no institutional mechanisms have been established, and integration and collaboration of the various agencies are very limited, as shown by interviews with staff of these agencies.

264. Based on the findings of the assessment, we have developed an institutional framework and structure that could facilitate effective implementation of the new law.

265. LARC is a complicated issue, and may violate titles and rights of land owners, possessors and users. It is recommended that citizen oversight and independent auditing should be introduced throughout LARC action, so as to limit and detriment to citizen rights to own, possess and use land.

266. It is necessary to ensure citizen participation and engagement from the initial planning stage before any citizen rights are limited; therefore, participatory systems must be established to ensure citizen participation (i.e. social impact assessment phase).

267. The assessment of current LARC-related agency staff capacity verified the need for capacity-building, and the assessment team identified the need for a project and suggested types, steps and duration of required training courses.

268. The integrated projection of the necessary budget demonstrates that some costs can be reduced; for example, trainers can be hired not on daily rates, but on long-term contracts, which will enable considerable cost savings.

269. It is important LAR-responsible agencies participate in the training process from the beginning, approving the training curricula, making trainee lists and helping organize courses.

270. Duties must be shared between all parties, including operations, and arrangements should be carried out by all involved, including the project unit, in a detailed and clear manner.

VIII. ATTACHMENTS ON BUDGET (CONFIDENTIAL)

- Attachment 1 Scheme for organizing training courses
- Attachment 2 Costs for 5-day study tour
- Attachment 3 Costs for 5-day training of trainers
- Attachment 4 Costs for national level training
- Attachment 5 Costs for regional level training
- Attachment 6 Costs for training sessions in the capital and other cities
- Attachment 7 Costs for district training sessions
- Attachment 8 Costs for soum-based training sessions