

# The Reality of Aid

IFT  
OBSERVATORIO



## Ulaanbaatar Urban Services and Ger Areas Development Investment Program - Tranche 2



COUNTRY  
Mongolia

INCLUSIVE DATES OF IMPLEMENTATION  
2018 - 2022

STATUS  
Active/Ongoing

## Ulaanbaatar Urban Services and Ger Areas Development Investment Program - Tranche 2

Tranche 2 of the multitranche financing facility will:

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



# The Reality of Aid

IFI  
OBSERVATORIO

---



NAME OF IFI/DFI  
**Asian Development Bank**



TOTAL COST  
**USD 37.11 million**

NATURE OF FUNDING  
**Stand-alone**

TYPE OF ASSISTANCE  
**Loan**



PRIVATE SECTOR PARTNER/S  
**Project 2 will require 246 person-months of international and 743 person-months of national consulting services using quality- and cost-based selection. International competitive bidding: 6 contracts, National competitive bidding: 5 contracts**

CSO PARTNER/S  
**Community development councils (CDCs) have been established throughout the project area to lead civil society participation. Several non-government organizations will eventually be directly involved in project management (i.e. kindergartens, shelters, incubator services, and support programs based on the project's community development service centers).**

OTHER PARTNER/S  
**None**



## POSSIBLE/EXISTING IMPACTS ON COMMUNITIES/HUMAN RIGHTS

The project components are all focused on mid-ger urban areas of Ulaanbaatar. These areas have been in existence for some time and are very heterogeneous in terms of residents' socioeconomic status. The project investments will benefit all residents. No specific communities of ethnic minorities have been identified.

## POSSIBLE/EXISTING IMPACTS ON THE ENVIRONMENT

The initial environmental examination and environmental management plan were prepared based on the detailed environmental impact assessment for Project 2 pursuant to the requirements of the Mongolian Law on Environmental Impact Assessment (2012) and ADB's Safeguard Policy Statement (2009). Public consultation meetings that identified environmental issues, concerns, and appropriate impact mitigations, were conducted to affected households and stakeholders. The environmental assessment and review framework prepared for the investment program was updated as part of detailed design of Project 1. The updated environmental assessment and review framework continues to provide guidance for screening and categorization, environmental assessment, and preparation and implementation of environmental safeguards for project subcomponents to comply with ADB's Safeguard Policy Statement (2009), and the Mongolian Law on Environmental Impact Assessment (2012). Potential environmental impacts, which are largely site-specific and short-term disturbances, arising from the construction of the different project subcomponents, are insignificant and reversible. Construction-related disturbances can be managed with standard construction practices and guidelines. Environmental management is supported by loan assurances and capacity development and institutional strengthening activities under the project. Environmental complaints will be handled in accordance with the grievance redress mechanism developed for the project.

## IMPACTS ON OTHER ASPECTS

One land acquisition and resettlement plan (LARP) for the four subcenters has been prepared in accordance with legislative framework of Mongolia and ADB's Safeguard Policy Statement (2009) and agreed resettlement framework. The LARP was approved on 12 December 2016. The estimated land acquisition and resettlement impact includes 555 entities (residential and commercial) and 2,156 persons who are expected to be affected by the developments in the four subcenters. The project will adopt a negotiated land acquisition and resettlement practice involving contractual agreements negotiated between the affected persons and the Land Administration Department of MUB on the basis of the Civil Code of Mongolia. The resettlement framework, applicable to all subprojects implemented under the investment program has been reviewed and updated. It now reflects the Municipality of Ulaanbaatar's recent regulation, a more harmonized grievance handling system based on existing practice, new institutional arrangements, and other provisions derived from Project 1's updated LARPs. No principle and entitlement in the original framework has been downgraded. A grievance redress mechanism has been established for Project 1 and a similar mechanism will be adopted for Project 2. All safeguards documents will be reviewed and concurred by ADB, disclosed to affected people and communities, and posted on ADB and Municipality of Ulaanbaatar websites. The program management office has adequate staff and has demonstrated capacity for grievance redress, awareness creation, and social mobilization. Safeguards trainings will continue to be provided as specified in the LARP. Social safeguards monitoring and reporting to ADB will be continued on a semiannual basis.

## Does the project have an environment/social impact assessment?

Yes, and accessible by the public.

## Does the project target the SDGs?

No.



## COMPLIANCE/NON-COMPLIANCE TO DEVELOPMENT EFFECTIVENESS (DE) PRINCIPLES

### Democratic country ownership of national development priorities

Ulaanbaatar city is home to over 1.4 million people. The central core of the city largely comprise apartment blocks with comprehensive utility services; including district heating, piped water supply, and wastewater collection and treatment. Surrounding the central core is a vast, low density, 100 square kilometers of peri-urban area (so-called ger areas) with poor infrastructure that accommodates about 60% of the city's population (approximately 800,000 inhabitants). Ger areas have spread and expanded through successive waves of migration. These settlements of low- and medium-income households are characterized by loosely aligned plots, creating irregular pathways that remain unpaved. Lack of basic urban services causes severe pollution that affects the city residents' health because of (i) unimproved individual coal stoves used by most ger area residents during winter which generate high air pollution; (ii) poor sanitation, since households almost exclusively rely on open pit latrines; (iii) poor solid waste collection which creates highly unsanitary living conditions, along with limited access to water supplied by water kiosks; and (iv) traffic congestion caused by unmanaged road network. Finally, poor basic urban services in ger areas are combined with critical lack of public space, public facilities, commercial areas, and economic amenities.

On 12 December 2013, ADB approved the Ulaanbaatar Urban Services and Ger Areas Development Investment Program using the multitranche financing facility (MFF) modality. The program supports the Ulaanbaatar city master plan in upgrading priority service and economic hubs (subcenters) in ger areas. The program will support the implementation of the Municipality of Ulaanbaatar's Master Plan 2030 by upgrading priority ger area subcenters from 2013 to 2023 through three projects. The investment program is in line with the Asian Development Bank (ADB) country partnership strategy (2012 -2016) and country operational business plan (2016) for Mongolia. Further, the program is in line with ADB's Strategy 2020, Poverty Reduction Plan, and Urban Operational Plan 2012 -2020.



# The Reality of Aid

IFI  
OBSERVATORIO

---

## Focus on results

The program is geographically targeted with multisector interventions. It aims to initiate a redevelopment process in ger areas and proposes an integrated solution to respond to the urgent demand for basic urban services, respond to the ongoing densification process, and develop urban subcenters as catalysts for growth in the ger areas. Improving infrastructure within the ger area subcenters and connectivity with the city core center is critical for inclusiveness and is important to facilitate the movement of people and goods, develop urban corridors, and create clusters of subcenter. Better urban planning combined with a network of infrastructure along priority roads will initiate a structural change of subcenter urban fabric. This will (i) improve residents' access to basic urban services, public space, and socioeconomic facilities; (ii) support local economic development; (iii) allow residents and businesses to take advantage of urban economies; and (iv) provide better housing options. The changes in land use and higher urban density will improve water, sanitation, and heating services delivery.

## Inclusiveness

Community development councils (CDCs) have been established throughout the project area to lead civil society participation. Several non-government organizations will eventually be directly involved in project management (i.e. kindergartens, shelters, incubator services, and support programs based on the project's community development service centers).

