



Clean Energy Asia

Clean Energy Asia LLC

Social Performance

Tsetsii Wind Farm

LAND ACQUISITION FRAMEWORK

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1. INTRODUCTION

1.1. Background and Context

Clean Energy Asia LLC (CEA) is seeking financing for the Tsetsii Wind Farm (TWF) project from the European Bank of Reconstruction and Development (EBRD) and Japanese International Cooperation Agency (JICA). As part of our commitment to the EBRD's environmental and social performance standards, all parties involved in the project implementation will adhere to this Land Acquisition Framework (LAF). The objectives of this LAF are as follows:

- To avoid any physical displacement by the TWF project
- To minimize and mitigate any economic displacement and related adverse impacts by the TWF project
- To compensate for livelihood losses, and to restore or improve livelihoods of the project affected and displaced people
- To monitor the livelihoods of project affected people before and after compensation, and
- To engage and consult with affected people on a regular basis..

Clean Energy Asia LLC has completed all required permissions and agreements in line with the land acquisition and use detailed in Section 2 of this framework, which included stakeholder engagement by the project proponent, authorities, and baseline social and economic assessment. The socio-economic baseline assessment (part of ESIA) revealed that there was no resettlement risks associated with the local people and stakeholders within the project implementing territory according to the cut-off date of April 09, 2016. Therefore, no relocation or economic compensation was required for the territory granted for the wind farm construction and operation in Tsogtsetsii soum, Umnugovi aimag.

However, this LAF was developed with a purpose to detail the land acquisition process and ensure rights of all stakeholders who may be affected by the process at each project stage in the future.

1.2. Brief Project Description and Land Use

The Tsetsii Wind Farm project is located in Tsogtsetsii soum Umnugovi aimag in the southern Gobi region of Mongolia approximately 542 km south of Ulaanbaatar and comprised of 25 wind turbine generators (WTGs) with a total installed capacity of 50MW (Figure 1 – Project location). All required permission and agreements related with the total of 700 hectares for the licensed project area are complete.

The essential infrastructure associated with the Tsetsii Wind Farm includes around 34 km long 110kV overhead transmission line (OHL), with a 40m corridor, from the TavanTolgoi substation at the Tsetsii Wind Farm substation. Land lease agreements for this OHL have been completed. Also, the project will construct temporary construction worker's accommodation, control centre compound for permanent workers, 35kV underground transmission line, access road from the paved highway to the Project site, on-site access roads from the control centre to the WTGs, and 25 WRGs. These developments are located within the designated 700 he territory.

The proposed site comprises approximately 72 km² of remote, open desert which is around 98 km east of Dalanzadgad settlement, 22 km south of Tsogttsetsii settlement, and 8 km from two large open-pit mines at Tavan Tolgoi and Ukhaa Khudag. The project implementing territory is used by local nomadic herders who graze their animals periodically. Livestock herding and nearby mining are the only economic activities recorded in this region.

The nearest settlement, Tsogtsetsii soum, has a total of 6,108 residents and 2,128 households as of 2013 census. The population is comprised of 3,175 men and 2,933 women and it is experiencing a steady increase in the past 6 years due to employment opportunities provided by coal mining in the area.

The project implementing territory, Siirst Bag (sub division of Tsogtsetsii soum), has 1,374 people and 468 households. The only people who live on or near the project site are several herders' families who tend to livestock in the pastureland. These herders have traditional nomadic herding lifestyles that are prevalent throughout the region.

1.3. Framework Coverage

In order to comply with EBRD's Performance Requirement 5 on Land Acquisition, Involuntary Resettlement and Economic Displacement (PR5), CEA implements this LAF to regulate any land acquisition, mitigation and compensation for the land loss, monitoring the impact and compensation implementation due to the TWF project.

Currently, the following land areas were acquired but not utilized for the project construction yet (see Figure 1 - Project Location and Figure 2 – 110kV transmission line route):

- Total of 700 hectares for the wind farm construction and operation (Project Site)
- Total of 6590 hectares for the wind data survey (land possession rights owned by Shareholder: Newcom LLC)
- Total of 40m corridor for 32km 110 kV overhead transmission line
- Associated 4.7km access road, 18km site roads, and associated infrastructure such as control room/offices, and substation

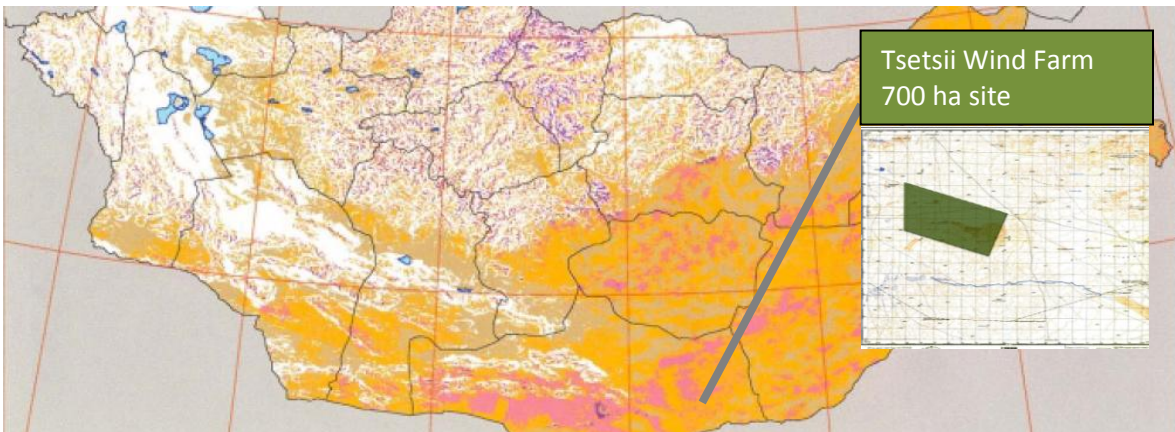


Figure 1. Location of the project implementing territory (Tsogtsetsii soum, Umnugovi aimag)

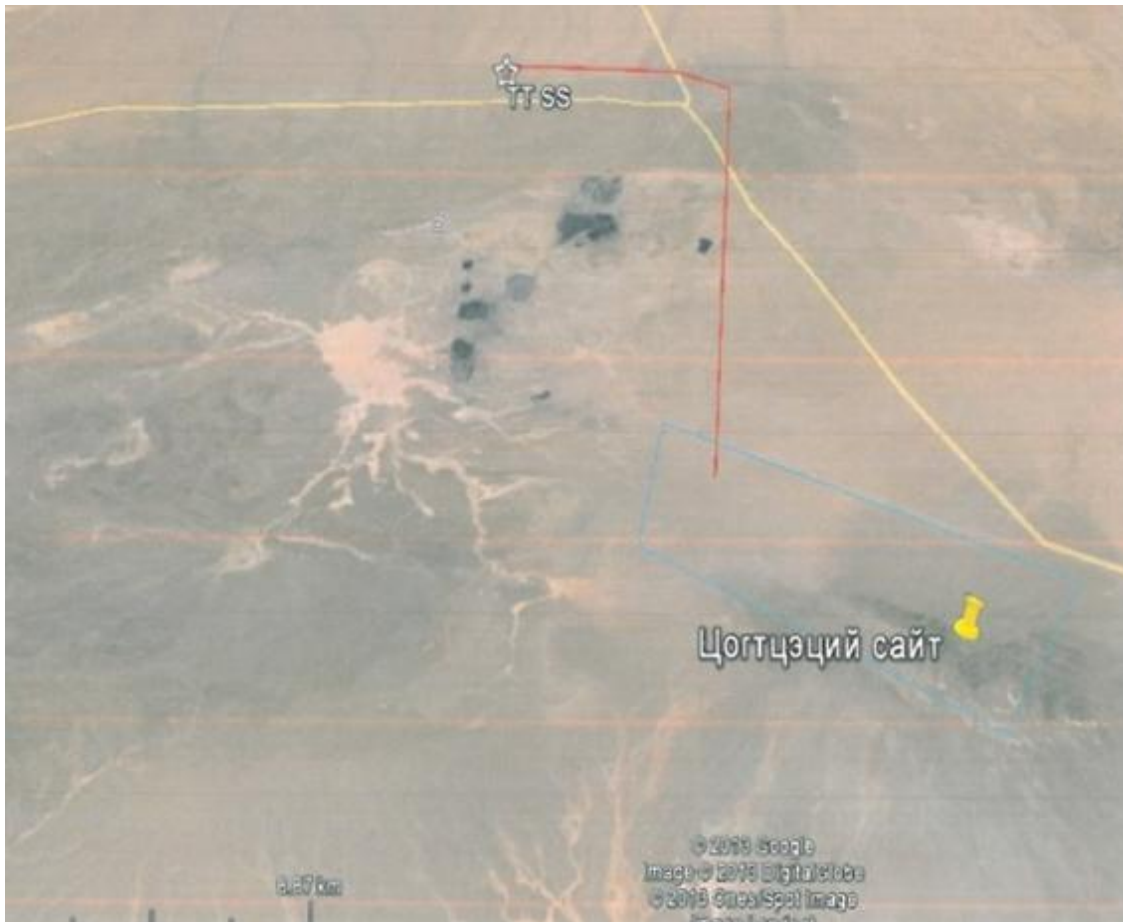


Figure 2. The 110 kV transmission line between the Tavan Tolgoi substation and the project substation

Currently, all land required for the project has been acquired and leased from the local authority after engaging the relevant stakeholders in line with the associated laws and regulations. No physical and economic displacement was identified or compensation was deemed necessary by the authorities according to the assessment completed in-line with the Mongolian Land Acquisition Legislation. This assessment reviews the current land ownership licenses granted within the project implementing territory.

Also, stakeholder identification process was performed as a part of the Environmental and Social Impact Assessment (ESIA)¹ for the wind farm and OHL to identify stakeholders interested

¹ SgurrEnergy Tsetsii Wind Farm ESIA B5 finalized on May 4, 2016

in the project and local people most likely to be affected by the project. According to the ESIA, the following stakeholders were identified in relation to the project.

- Local Government agencies related to the project approval and review
- Local educational, research, and design organizations
- Local citizens independent on pastures
- Seasonal local herders dependent on pastures.

The ESIA of the windfarm confirmed that no herders were present within the wind farm site area during the most recent social economic survey of April 2016. However, ESIA OHL identified a total of 13 herder households living in proximity to the OHL corridor as of April 9, 2016 by CEA (see Section 3 and Table 3). The survey was based on a methodology and questionnaire focused on resident receptors living within 500m from the OHL corridor on 35km route from Tavan Tolgoi Substation to Tsogtsetsii Wind Farm. Given the low density of residents in close proximity to the OHL, the survey area was widened to include all current residents within approximately 15 km of the site.

This survey consisted of interview, survey, and consultation included research. The locations were mapped using GPS location and photographs were taken as a record of the survey. The stakeholder identification was based on the criteria of proximity of local residents' households to the project site and the level of potential interest in the project among local and federal governmental authorities, scientists, and local and international NGOs. Although the ESIA OHL concluded that there is no physical or economic displacement or encroachment to these 13 households residing nearby the OHL corridor, the project proponent will closely monitor any potential impacts on these households and their livelihoods during the project construction and operational stage. The official cut-off date is April 09, 2016 reflecting the most updated socio-economic baseline assessment results and any persons moving into the project location after this cut-off date are not entitled to compensation or other assistance.

This LAF details potential land acquisition process, monitoring of the project affected party, process to compensate, engage, and inform such parties, mechanism to redress grievances, and requirement to monitor impacts on the project affected persons and success of the compensation program.

2. LEGISLATIVE FRAMEWORK

2.1. EBRD Policy requirements

The Project will follow the EBRD Environmental and Social Policy and performance requirements (PR). The following performance requirements are relevant to the Tsetsii Windfarm construction and operation.

- PR 1: Assessment and Management of Environmental and Social Impacts and Issues
- PR 3: Resource Efficiency and Pollution Prevention and Control
- PR 4: Health and Safety
- PR 5: Land Acquisition, Involuntary Resettlement and Economic Displacement
- PR 8: Cultural Heritage;
- PR 10: Information Disclosure and Stakeholder Engagement.

Clean Energy Asia LLC will adhere to the EBRD's PR5 on land acquisition, involuntary resettlement, and economic displacement as a priority guiding principle in order to avoid, minimize, and mitigate any adverse social and economic impacts from potential land acquisition or restrictions on affected persons' use of and access to the TWF project implementing land by providing compensation for loss of assets at replacement cost and ensuring any resettlement activities are implemented with appropriate disclosure of information, consultation, and engagement of the affected people. We will comply with the main purpose of the EBRD PR5 and restore or, where possible, improve the livelihoods and standards of living of displaced people to pre-displacement levels and closely monitor their livelihoods after implementing the compensation program.

2.2. Applicable Legislation, International Conventions and Guidance

In addition to the EBRD requirements and policy guidance, the project will adhere to the following Mongolian legislations during the project implementation. When there is a conflict between the two practices, more stringent requirements will be complied with.

Table 1. *Mongolian Legislation Relevant to Land Acquisition and Resettlement.*

Resource Type	Law and Year of Passage
Constitution of Mongolia	Constitution of Mongolia, 1992, amended in 1999 and 2001
Civil Code of Mongolia	Civil Code of Mongolia, 1994
Land Resources	Mongolian Law on Land, 1994, renewed 2002
	Mongolian Law on Land Use Fees, 1997, renewed 2002
	Mongolian Law on Land Ownership for Mongolian Citizens, 2002
	Mongolian Law on Regulation for Implementing the Land Law, 2002
	Mongolian Law on Cadastre and land Cadastre, 1999, renewed 2005
Forest resources	Mongolian Law on Forests, 1995, renewed 2007
	Mongolian Law on Fees for Timber and Firewood Harvesting, 1995
	Mongolian Law on Prevention of Steppe and Forest Fires, 1996
Water resources	Mongolian Law on Water, 1995, renewed 2004 & 2012
	Mongolian Law on Water and Mineral Water Use Fees, 1995
	Mongolian Law on mineral water, 2003
National Park Resources	Mongolian Law on Special Protected Areas, 1996
	Mongolian Law on Buffer Zones, 1997
Investment Law	Mongolian Law on Investment, 2013

A gap analysis between Mongolian laws and EBRD PR5 on Land Acquisition Involuntary Resettlement and Economic Displacement is reflected in the following Table 2.

Table 2. *Gap Analysis between Mongolian Legislations and EBRD Performance Requirement 5*

Issues	Relevant Mongolian Law	EBRD Performance Requirement (PR5)	Gap Analysis and Further Actions
Negotiated Land Acquisition	The Civil Code of Mongolia has legal basis for contracts related with land transactions.	Negotiated settlements are also encouraged by international requirements.	There is no gap.
Eligibility	Only registered land owners, possessors or users are recognised. Land can be acquired from its owner, possessor, or user via a contractual agreement if the land is privately-owned, possessed, or used with formal registration. However, this can apply to resident land only. Pasture land is deemed as the State owned land and it is not registered for anyone except winter, spring, autumn shelters.	Project affected person does not belong to any entitlement because there is no formal legal title for such person. Non-titled project affected person are eligible to receive different entitlements according to the details of their claims while titled persons who have claims to the land that are recognizable under national laws.	Project proponent will provide compensation for the lost land to the affected occupants regardless of title entitlement. Company will provide compensation to the affected users or users of affected structures regardless of title over the plot of land where such structures are located.
Cut-off date	No specific provision	The client will compensate the displaced people, provided that these people occupy the project area prior to the cut-off date for eligibility. The client is not required to compensate or assist those who encroach on the project area after the	The project proponent will compensate the displaced people registered prior to the cut-off date. In the absence of national government procedures, the date of completion

Issues	Relevant Mongolian Law	EBRD Performance Requirement (PR5)	Gap Analysis and Further Actions
		<p>cut-off date. The cut-off date should be widely disclosed to the project affected persons. The cut-off date is normally the end date of the social mapping survey by the ESIA. The census and socio-economic baseline assessment will identify the persons who will be displaced (fully and partially) by the project, determine who will be eligible for compensation and assistance and, by setting a cut-off date, discourage inflow of people who are ineligible for these benefits.</p>	<p>of the census and assets inventory represents the cut-off date for eligibility. Information regarding the cut-off date will be well-documented and disseminated throughout the project area.</p>
<p>Compensation</p>	<p>Negotiated agreements establish compensation and its rate can be agreed according to the state rates for the land. Compensation is at market depreciated value for structures.</p>	<p>Compensation will be at the replacement cost based on valuation at average market value, plus transaction costs and the cost of restoration to an equivalent or better potential as that of the affected asset. Compensation in kind will be offered in lieu of cash compensation where feasible, unless the conditions described</p>	<p>TWF will compensate land and structures at replacement cost based on the definition in PS/PR5 and as defined in this LAF. The preferred compensation option will be in-kind (recovery of the affected livelihood).</p>

Issues	Relevant Mongolian Law	EBRD Performance Requirement (PR5)	Gap Analysis and Further Actions
		<p>below can be demonstrated to exist at a level acceptable to the EBRD. These conditions are: Payment of cash compensation for lost assets may be appropriate where: (a) livelihoods are not land-based; (b) livelihoods are land-based but the land taken for the project is a small fraction of the affected asset and the residual land is economically viable; (c) active markets for land, housing, and labour exist, displaced persons use such markets, and there is sufficient supply of land and housing. Cash compensation levels should be sufficient to replace the lost land and other assets at full replacement cost in local markets.</p>	
Community and Public Resource Losses	No specific provisions.	Compensation is due for affected communal resources.	TWF will seek negotiated settlements with relevant community organisations with respect to compensation for

Issues	Relevant Mongolian Law	EBRD Performance Requirement (PR5)	Gap Analysis and Further Actions
			affected communal resources.
Income and Livelihood Rehabilitation	No specific provisions.	Assistance for livelihood restoration and social rehabilitation due to loss of land, assets, jobs, income sources and livelihoods.	TWF will provide livelihood restoration assistance wherever livelihoods are affected by TWF, as defined in this LAF.
Vulnerable People	No specific provisions with respect to differential impacts of displacement on vulnerable people.	Specific assistance to vulnerable people affected by the displacement.	TWF will identify vulnerable people and provide specific assistance as defined in this LAF.
Grievance Procedure	Any disputes over land should be referred to the governors of administrative units and eventually the courts according to the Land Law (Article 60). The Civil Code and Land Allocation Law refer various types of disputes to the courts.	There should be adequate grievance redress mechanism to support the affected people.	TWF will establish an effective grievance redress mechanism that is easily accessible to the local community, as defined in this LAF.
Information Disclosure and Public Consultation	No specific provisions for public consultation and information disclosure, except that land acquisition is typically based on amicable and contractual transactions. Under the Land Law and the Land Allocation Law parties who have land ownership or	Project affected people must be fully informed and closely consulted on compensation and resettlement options. Resettlement planning documentation is disclosed and consulted upon.	TWF will disclose this LAF as a part of the Environmental and Social Management Plan and include it in the general public consultation effort.

Issues	Relevant Mongolian Law	EBRD Performance Requirement (PR5)	Gap Analysis and Further Actions
	possession rights have the right to negotiate a Settlement Agreement with GoM. Any dispute in relation to the land is subject to the courts of Mongolia.		
Monitoring and Evaluation	Responsibility of local government and Citizen's Representative Khurals.	The implementation of the resettlement plan must be monitored and evaluated via clear procedure.	TWF must establish monitoring and evaluation process as defined in this LAF.
Timeframe	Resettlement can only occur after 15 May and before 15 September so that people are not expected to move in the winter. Administrative activities can occur before 15 May. Compensation should be paid to the land possessor by the relevant governor within 60 days upon signing the Settlement Agreement unless otherwise stated in such agreement. The land possessor must vacate land within 30 days upon receiving the full amount of compensation unless otherwise stated in the Settlement Agreement.	Displacement can occur after providing the necessary compensation, allowances, and assistance.	

The main gap between the EBRD PR5 and Mongolian legislation regarding land acquisition and resettlement is that the EBRD recognizes as eligible to compensation, or at least restoration, titled and non-titled owners or registered and unregistered tenants.

2.3. Overview of the Land Acquisition Legal Process for the Project

The regulatory land acquisition process includes assessment of relevant stakeholders and includes the following steps.

- Selecting and designating the desired area for the project use
- Writing a letter to local authority (soum and aimag) to clarify and investigate whether the government is planning for future development for the land or the land is being used by or transferred to other stakeholders.
- The local authority makes a final decision and declares to set the price for the land acquisition and grant Certificate of land possession up to 15 - 60 years, and term can be extended up to 40 more years, as stated in the Land Law. A land possession agreement will be executed between the relevant land authority and a holder of the land possession right with 1 (one) year term which shall be reviewed and renewed each year. Depending on the project characteristic or land purpose, the term can be set differently such as for 3 or 5 years.
- After obtaining the land certificate and land lease agreement with the local authority, the project proponent must pay the agreed land use fee.

3. FRAMEWORK COMMITMENTS

3.1. Commitments and Principles for Land Acquisition and Use

In line with the EBRD's Performance Requirement 5, CEA will commit to a set of land acquisition principles and processes that respect affected herders' rights to access natural resources and to maintain or improve their livelihood, that prevent or minimize physical and economic displacement, ensuring consultation with all interested parties, regular monitoring of land-based project impacts, and providing adequate compensations for any project affected parties.

3.2. Identification of Impact Zone

The Project is located within Siirst Bag (Tsogttsetsii soum) which has 1,374 people, 468 households, and 78 herder households and the only people who live near the Project site are several herders who tend to livestock in the pastureland². Baseline surveys about the local community within the project implementing territory were conducted as part of DEIA and ESIA in early 2014 and mid-April 2016. Both assessments confirmed that there is no permanent residence within 700 ha for the wind farm. However, the ESIA for the OHL identified a total of 13 local herder households in proximity to the OHL construction corridor as of April 9, 2016 baseline study (see Table 3). There is no necessity for relocation or resettlement along the OHL corridor.

The survey results indicate that these residents have lived in the area with a fairly even spread of time ranging from less than a few months to more than 20 years. Of those households 9 are permanent and four are temporary. Their main livelihoods and income source were traditional nomadic livestock grazing (a mix of sheep, goats, horses, and camels) that is prevalent throughout the Soum (local territorial unit). The herders chose this area due to its grazing availability and its proximity to the nearby Soum services. This area is characterized with low rainfall, occasional dust arousal, and scarce vegetation³. The survey revealed that these herders were concerned about poor quality of the grazing land, frequent dust arousal from the nearby mines, limited access to electricity, and lack of grazing land⁴.

² ESIA Wind Farm, 2016

³ ESIA Wind Farm, 2016

⁴ ESIA OHL, 2016

Table 3. *Residents living in proximity to the OHL corridor*

Herder identifier	Household	Distance from OHL	Description
1		300 m	The family has recently moved near to the Tavan Tolgoi substation. They plan to spend the warmer spring-fall months in the area.
2		690 m	Ranch owner Dayanbat bought land in the area to raise horses and has hired Amartuvshin family to provide care for the horses.
3		3 km	The resident's winter settlement was previously on the west side of the Tsogttsetsii Mountain, in an area called "Black Stoop". Construction of paved road (other project) through their land, forced the residents to move to the current location (White Stoop) 5 years ago.
4		1.1 km	Currently residing in Tsogttsesii soum and uses the area for local livestock grazing.
5		2.4 km	Household of 6 people. The family own many camels. Many of the camels have given birth to baby camel.
6		320 m	This family use to live in the "Rock water" for over 30 years but relocated as a result of the construction Energy Resources LLC roads and waste management center. They have moved to the present Gan Gashuun area. They consider this winter shelter location as inferior to the previous location. The wife of the family lives with his child in the soum center where their child goes to school, while Nyamjav stays all year round to tend to his livestock.
7		3.8 km	Lives in Tsogttsetsii, with his household of 5.
8		5.2 km	Lives in Siirt Baag with his household of 5, living 6.6km away from the OHL route.(coordinates 430

Herder identifier	Household	Distance from OHL	Description
			30/ 31.3// 1050 38/ 26.7//)
9		15.5 km	Lives in household of 7 including his parents and children.
10		15.5 km	Lives in Siirt Group by himself.
11		3.3 km	Works as a contract delivery driver for coal company.
12		10.5 km	Herder R. Baatar lives over 10 km from the OHL route. Both husband and wife are national honored medal herders and both have expressed their support of the OHL construction.
13		7.3 km	B.Bayarmagnai is the son of R.Baatar. Bayarmagnai has a young family and takes care of his livestock and grazing area.

The traditional nomadic herding practices involve an informal system of seasonal grazing of sheep, goats, camels, horses and cattle. These herders live in “Gers” (Mongolian wool yurt) and use fenced corrals for keeping their livestock close to the “Ger”. Mostly, herders let their animals graze freely on the surrounding pasture and tend them regularly throughout the day. Therefore, availability and access to open pastureland is important to the herders. The major source of income for these families is based on trading cashmere (from goats), meat, dairy products, and other animal products and the status of livelihood wealth among the households is determined by the number of livestock of a family⁵. The average monetary income of a Soum household was 620,106 MNT as of 2008, which is higher than the average of an Ulaanbaatar citizen (capital city)⁶.

⁵ ESIA Wind Farm, 2016

⁶ ESIA Wind Farm, 2016

Since the local herders' livelihoods are dependent on the livestock grazing, the availability and quality of the pastureland are critical for their income generation and survival. Although TWF project will not result in any physical displacement and only limited economic displacement, Clean Energy Asia will implement this LAF to avoid, mitigate, compensate, and monitor any potential economic displacement to the project impacted community. Clean Energy Asia LLC is committed to address, manage, and monitor any land based impacts resulting from the TWF and OHL construction and operation.

Project might cause increased fugitive dust, noise, loss of land quality, land disruption, and risks to personal and livestock safety which might negatively impact the local herders' livelihood and quality of the pastureland. In order to address and manage these negative impacts, Clean Energy Asia will implement Environmental and Social Management Plan⁷, Community Health and Safety Plan, and monitor the project affected people through extensive and regular consultation and engagement via Stakeholder Engagement Plan⁸.

Particular attention will be paid to the needs of vulnerable groups among those displaced; especially those living below the poverty line; the landless, the elderly, women and children orphans, or other affected persons who may not be protected through national land compensation legislation.

3.3. Framework steps

CEA will prioritize the following mitigation measures to avoid and reduce any economic and physical displacement impacts from the Project:

- Physical displacement will be avoided during the development of the Project
- Economic displacement will be compensated in accordance with EBRD PR5 and based on this Livelihood Restoration Framework (LRF).

⁷ Environmental and Social Management Plan (ESMP), 2016

⁸ Stakeholder Engagement Plan (SEP), 2016

- Further hydro-geological studies will be conducted to understand the extent of water availability in the affected area and associated economic displacement as a result of impacts to herder wells.
- Regular consultation and public participation activities will be conducted with local herders to disclose Project information, address herder concerns and ensure that there is no adverse impact on them and their livelihood.
- Monitor the Project activities and its impact on the local herders
- Monitor the livelihood restoration of the affected community.

CEA will develop and implement Resettlement Action Plan if any additional land acquisition or resettlement occurs in the future. The RAP will include detailed descriptions of consultation activities, planned actions reflecting individual consultations with affected parties, ongoing public consultation meetings, individual negotiations of the contract, and documentation of the process.

At minimum, the RAP shall state the resettlement objectives, project impacts, identify displaced people, legal framework, consultation process, compensation rate, relocation assistance, livelihood restoration arrangements, organizational responsibilities, timetable, budget, and entitlements for displaced people. The resettlement will be considered completed when the adverse impacts of resettlement have been addressed in a manner that is consistent with the objectives stated in the EBRD PR5. Table 4 summarizes internal steps required during land acquisition and resettlement process. Figure 3 shows the internal response to any future land acquisition.

In cases of economic displacement, Clean Energy Asia will develop and implement livelihood Restoration Plan (LRP) which shall include the LRP objectives, project impacts, identification of economically displaced people, relevant legal framework, consultation process and its documentation, entitlements for the displaced people, compensation rate and method, other measures to improve livelihoods, schedule and budget for the action, organizational responsibility, and arrangement of monitoring, evaluation, and reporting requirements. The LRP

is deemed as complete when the adverse impacts of displacement have been addressed in a manner that is consistent with the objectives stated in EBRD PR5 and the developed LRP.

Table 4. *Steps Required during Future Land Acquisition and Resettlement Process.*

Step	Action	Duty	Record Required
1	Identify impact scope through initial screening process and investigations.	CEA	Documented scoping and impact zone.
2	Document the stakeholders under potential impact.	CEA	Records of assessment.
3	Ensure regular stakeholder engagement and consultation associated with the land acquisition process following the previous steps. If any economic or physical displacement risks are identified, then develop a detailed document about the costs, compensation, and lost assets based on the ESIA socio-economic baselines (RAP or LRP).	CEA	Records of engagement.
4	Make official agreement with the stakeholders identified regarding the arrangement of compensation, resettlement, confirmation of economic losses, and others with detailed timeline and responsibilities (RAP or LRP).	CEA	Documented agreement
5	Inform and consult with the local authorities about the actions taken and implement the agreement.	CEA	Documented agreement
6	Update the Stakeholder Engagement Plan (SEP) reflecting the identified stakeholders, consultation activities, and actions completed or open.	CEA	Updated SEP
7	Monitor implementation of the compensation and livelihood restoration of the project impacted citizens in order to identify whether the compensation is successful (Monitor implementation of SAP and LRP).	CEA	Monitoring results and restored livelihood
8	Return to previous steps until the livelihood of the project affected citizens are recovered and compensated.	CEA	Records of documented agreement and SEP
9	Update the SEP reflected the implementation of RAP and LRP and provide a final report.	CEA	Report

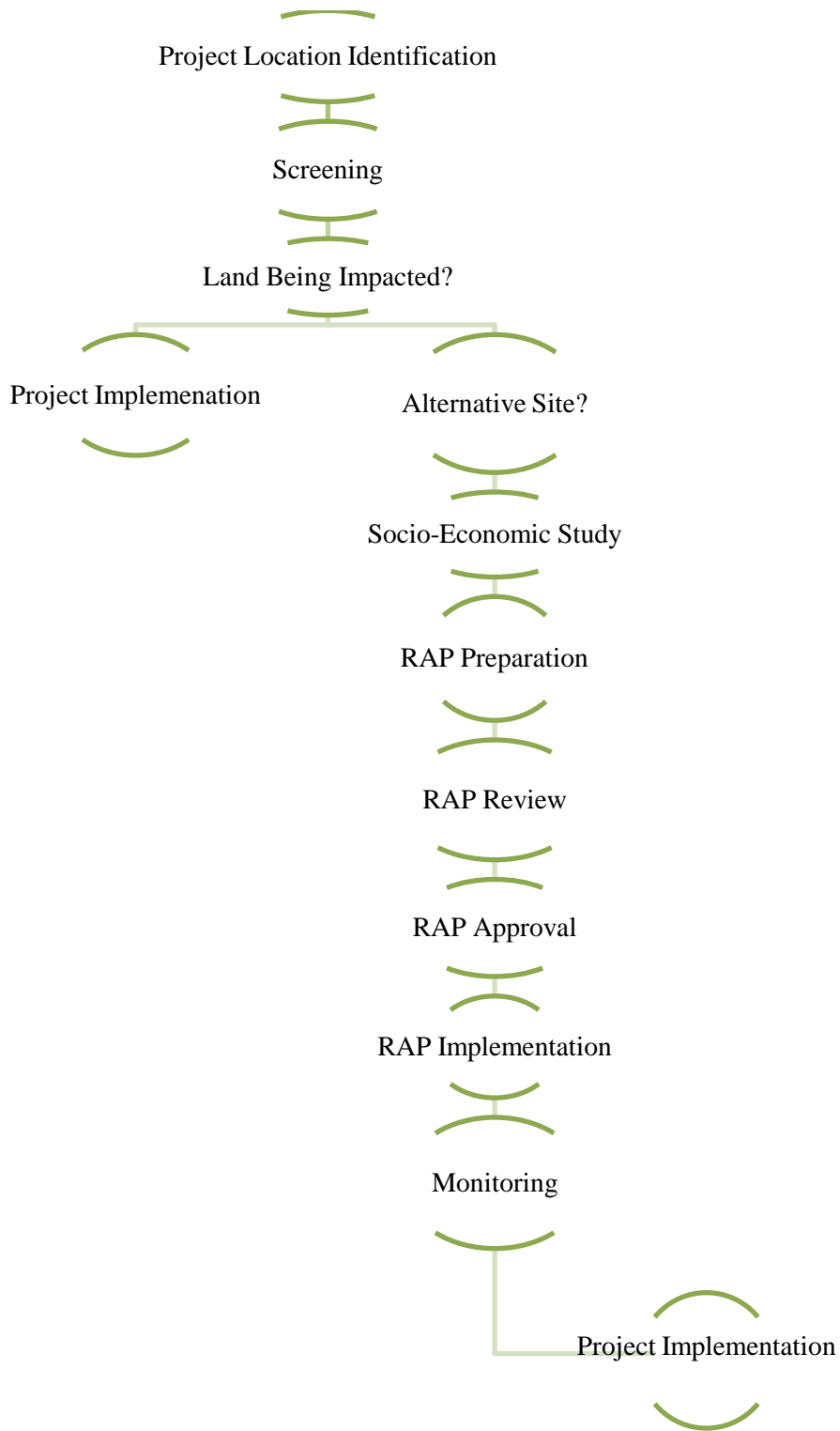


Figure 3. Response to future land acquisition

3.4. Compensation

In the event of any economic or physical displacement, Clean Energy Asia will develop and implement a Compensation Program (RAP or LRP). Clean Energy Asia will adhere to EBRD's PR5 requirement on land acquisition, resettlement, and compensation in addition to the current Mongolia legislation which determines compensation based on the market value of the land via a Negotiated Agreement. Clean Energy Asia will offer the displaced people and local community compensation for loss of assets at full replacement cost and other assistance to help them improve or at least restore their standards of living or livelihoods, as provided in EBRD PR5, RAP, and LRP.

Clean Energy Asia is not required to compensate or assist those who encroach on the project area after the cut-off date of eligibility. There may be cases where land acquisition and resettlement are the responsibility of the host government. In such cases, the project proponent will collaborate with the responsible government agency, to the extent permitted by the agency, to achieve outcomes that are consistent with the objectives of EBRD PR5.

3.5. Consultation and Participation

Engagement of the affected citizens at early stage ensures successful implementation of the compensation program. Any consultation will be carried out in accordance with the schedule set in the RAP and LRP and will be documented. The SEP⁹ will be updated accordingly.

A grievance mechanism is available to allow any appealing or disagreeable decision, practice, or activity rising from land or other assets compensation and displacement (SEP). Care will be taken to prevent grievances rather than going through a redress process by careful implementation, by ensuring full participation and consultation with the affected parties and by establishing extensive communication and coordination between the affected communities and the Government of Mongolia.

⁹ Stakeholder Engagement Plan, 2016

3.6. Monitoring and Evaluation

Project affected citizens will be closely monitored on regular basis. Monitoring will be carried out in the compliance with this LAF, EBRD PR5, RAP, and LRF during the implementation of the Project in order to ensure adequate compensation for the affected parties, restoration and improvement of the project affected parties, protection of the rights of the affected community under relevant Mongolian laws and EBRD PR5, this LRF, and timely response to any concerns and grievances from the local citizens. The monitoring will measure the following key indicators:

- Number of physically and economically displaced parties
- Number and results of consultation and engagement activities conducted within the project affected entities
- Land acquisition status, associated compensation payment, entitlement delivery
- Livelihood restoration activities, impacts and results of the restoration activities
- Response and effectiveness of redress grievances

Attachment 1: Grievance Form

<i>If you wish to remain anonymous, please do not fill the first three rows below.</i>	
Full Name	
Contact Information <i>Please include how you wish to be contacted (i.e. mail, telephone or e-mail). If you wish to remain anonymous, please do not fill this box.</i>	Postal Address: Telephone number: E-mail address:
Preferred language (please tick)	Mongolian <input type="checkbox"/> Russian <input type="checkbox"/> Mandarin <input type="checkbox"/> English <input type="checkbox"/> Other <input type="checkbox"/>
<i>Please start below this line, if you wish to remain anonymous.</i>	
Description of feedback or grievance (<i>What happened? Where did it happen? Who did it happen to? What is the result of the problem?</i>):	
Date of incident / grievance	
One time incident / grievance date..... Happened more than once? How many times? Still on-going (i.e. currently experiencing problem) Y / N (<i>please circle</i>)	
How would you like to see this problem resolved?	
Signature.....Date.....	
Please return this form to: CEA Tsetsii Wind Project or any of the grievance boxes listed below. Location of grievance boxes: [to be determined]	