



Initial Poverty and Social Analysis

Project Number: 46343
April 2014

MON: Energy Efficiency and Urban Environment Improvement Project

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:

MON

Project Title:

Energy Efficiency and Urban
Environment Improvement Project

Lending/Financing
Modality:

Project

Department/
Division:

EAEN

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy

The project is consistent with the country partnership strategy, 2012–2016^a for Mongolia which focuses on the strategic pillar to improve energy access and efficiency in urban areas and is prioritized in ADB's Country Operations Business Plan, 2012–2014.^b The proposed project will provide reliable electricity services to the urban residents including urban poor in the capital city, Ulaanbaatar.

B. Targeting Classification

General Intervention Individual or Household (TI-H) Geographic (TI-G) Non-Income MDGs (TI-M1, M2, etc.)

The proposed project does not directly address poverty issue. However, the proposed project will indirectly address poverty reduction through (i) providing reliable electricity services, and (ii) improved urban air quality to residents including the urban poor in Ulaanbaatar.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

Unreliable electricity service is an issue for the electricity users in Ulaanbaatar, which has a negative impact on daily socio-economic activities. Expected beneficiaries of the proposed project are the broad electricity users in Ulaanbaatar.

2. Impact channels and expected systemic changes

Directly, the proposed project will provide reliable electricity services to the broad electricity users including urban poor in Ulaanbaatar. Indirectly, the proposed project will contribute to improve urban air quality by coal usage reduction through energy efficiency gain from electrical transmission and distribution network.

3. Focus of (and resources allocated in) the PPTA or due diligence.

The PPTA will focus on (i) collecting social and poverty data, (ii) assessing types of employment opportunities created under the project, and (iii) affordability issues to the low income households.

II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program?

There are no gender issues relevant to the proposed project.

2. Does the proposed project or program have the potential to make a contribution to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making?

Yes No

The proposed project is not expected to contribute on promotion of gender equity and empowerment of women as the project is to rehabilitate and upgrade the electrical transmission and distribution system in Ulaanbaatar.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?

Yes No

The proposed project is not expected to entail any adverse impact on women or widen gender inequality.

4. Indicate the intended gender mainstreaming category:

GEN (gender equity theme) EGM (effective gender mainstreaming)

SGE (some gender elements) NGE (no gender elements)

III. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.

Stakeholders include (i) Ministry of Energy, (ii) Ministry of Economic Development, (iii) Ministry of Finance, (iv) Ministry of Environment and Green Development, (v) Ulaanbaatar Municipal Government, (vi) Central Regional Transmission Company, (v) Ulaanbaatar Electricity Distribution Company, (vi) Energy Regulatory Commission, and (vii) communities and business entities in Ulaanbaatar.

2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable and excluded groups? What issues in the project design require participation of the poor and excluded?

The proposed project will contribute to collect the voices of the poor through social survey.

3. What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design?

Information generation and sharing Consultation Collaboration Partnership

Relevant civil society organization in the project area will be consulted during the PPTA implementation.

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how shall they be addressed? Yes No

There is no issue which requires participation of the poor and excluded in the project design.

IV. SOCIAL SAFEGUARDS

A. Involuntary Resettlement Category A B C FI

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement?

Yes No

The project team will carefully design the detailed project components to avoid the involuntary resettlement or to minimize permanent land acquisition and physical displacement or economic displacement. It is expected that upgrading of (i) transmission and distribution lines will be within the existing right of way, and (ii) substations will be within the existing premises. Final categorization will be determined upon completion of the PPTA.

2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?

Resettlement plan Resettlement framework Social impact matrix
 Environmental and social management system arrangement None

B. Indigenous Peoples Category A B C FI

1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? Yes No

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? Yes No

3. Will the project require broad community support of affected indigenous communities? Yes No

4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?

Indigenous peoples plan Indigenous peoples planning framework Social Impact matrix
 Environmental and social management system arrangement None

V. OTHER SOCIAL ISSUES AND RISKS

1. What other social issues and risks should be considered in the project design?

(L) Creating decent jobs and employment (L) Adhering to core labor standards Labor retrenchment
 (L) Spread of communicable diseases, including HIV/AIDS Increase in human trafficking (L) Affordability
 Increase in unplanned migration Increase in vulnerability to natural disasters Creating political instability
 Creating internal social conflicts Others, please specify _____

2. How are these additional social issues and risks going to be addressed in the project design?

Standard assurances on labor and spread of communicable diseases will be included in the project agreement. Efforts will be made to hire local people for construction and some operational jobs. Affordability study will be carried out during the PPTA and an appropriate assurance will be proposed.

VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the terms of reference for the PPTA (or other due diligence) contain key information needed to be gathered during PPTA or due diligence process to better analyze (i) poverty and social impact; (ii) gender impact, (iii) participation dimensions; (iv) social safeguards; and (vi) other social risks. Are the relevant specialists identified?

Yes No

2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social and/or gender analysis, and participation plan during the PPTA or due diligence?

2 person-months of international and 4 person-months of national social experts are allocated to conduct poverty, social, and gender analysis.

^a ADB. 2012. *Country Partnership Strategy (2012–2016): Mongolia*. Manila.

^b ADB. 2012. *Country Operations Business Plan, 2012–2014*. Manila.