

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:

Mongolia

Project Title:

Integrated Livelihoods Improvement and Sustainable Tourism at Khuvsgul Lake National Park

Lending/Financing Modality:

Grant projects

Department/ Division:

East Asia Department/Environment, Natural Resources & Agriculture Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The project will implement integrated livelihood and sustainable tourism activities to improve the livelihoods of local communities and regulate tourism. The project is consistent with the 2014 Green Development Policy of Mongolia (environmental protection, poverty reduction), Khuvsgul aimag's Socio-Economic Development Action Plan 2008–2015, 2014 National Program on Waste Management Improvement (which highlights the growing need for waste disposal in cold regions), ADB's country partnership strategy, 2012–2016 for Mongolia to support inclusive and environmentally sustainable growth, and the Government of Japan's Country Assistance Policy, and Midterm Strategic Action Plan, for Mongolia (income diversification for herders, protection of water resources).

B. Targeting Classification

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

Khuvsgul aimag is the second poorest of Mongolia's 21 aimags. In 2013, the aimag had a UNDP Human Development Index value of 0.72 (versus a national score of 0.78), GDP per capita was \$1,876 and mean annual salary was \$4,414 per employee (versus mean national values of \$4,056 and \$5,416), and unemployment was 15.1% (versus a national rate of 7.9%). The KLNP extends over five soums (total population 16,000 people in 2013).

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

The KLNP, northern Mongolia, encompasses 2.5 million ha of pristine forests and one of the most important sources of fresh water in the world, Khuvsgul Lake. Despite these unique natural values, communities in the KLNP are poor and have limited food security and access to health and education services and income opportunities, due to the severe winters and remote location (100 km from the aimag center, Murun). Most are dependent on subsistence livestock grazing and use of forest products. Human densities are very low (0.6 persons/km²). Most of the population is located in two settlements, Khatgal (3,100) and Khankh (1,500). These are located at the south and north ends of the lake respectively, along the only main roads to the lake. They are the gateway for virtually all access to the KLNP.

The KLNP is the fourth most visited tourist destination in Mongolia and between 2010 and 2014 there was an unprecedented rise in tourist numbers, from 11,000 to 60,000, largely due to improved road access and reduced visa restrictions for tourists. The KLNP Administration and local communities do not have enough capacity and resources to manage this influx of people. Many unlicensed tour operations have started and camping and vehicle access is uncontrolled. There are no waste collection and disposal facilities, and the lake is becoming polluted by sewage and litter. Few local people derive benefits from tourism, as the largest operators are non-local and bypass Khatgal and Khankh to bring tourists directly to tour camps.

The project will focus on strengthening community benefits from tourism and supporting communities to sustainably manage their existing subsistence use of natural resources. The main beneficiaries are expected to be the populations of Khatgal and Khankh and residents around the lake. Community needs to be addressed under the project include deriving benefits from tourism (whether directly or indirectly) and improved practices for subsistence grazing and use of forest products. Potential constraints comprise low capacity of the KLNP Administration to work with local communities, and logistic difficulties due to remoteness.

2. Impact channels and expected systemic changes.

The proposed project is a \$3 million grant and will mostly provide capacity building and planning for improved livelihoods and tourism. The project will support local communities, based on participatory needs assessment, to plan resources use in a more efficient and sustainable way, so this impacts on stability and durability of income. Overall, the communities are relatively homogenous and poor, so members of the communities are expected to directly benefit from the capacity building effects in an inclusive manner.

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

Current practices and needs of the communities in terms of livelihoods, including tourism and pastoralism, will need to be assessed. A tourism expert and livelihood and social development expert will form the due diligence team.

4. Specific analysis for policy-based lending.

N/A

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?

Mongolia has a comparatively strong history of striving towards gender equality, including promulgation of the gender equality law in 2011. The key issue relevant to this program is the under-representation of women in rural decision making processes due to the higher workload for them, leaving less time for non-household tasks.

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 project will strive to improve the current situation towards more empowerment of women through training to achieve diversification of livelihoods, and improve their representation in project-related decision making, such as adapting training schedules and curricula to women's needs. The project will design gender elements to ensure women are properly represented during consultation processes and training opportunities.

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

Yes No

The project will not increase inequality between genders, and it will work to reduce existing inequalities as relevant and achievable under the project.

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.

The main stakeholders are the MEGDT, ADB, local governments, the national park authority, local communities, tour operators, and CSOs. Stakeholders have shared initial inputs into the project design and, together with local communities and buffer zone councils, will further be consulted during the detailed project design on their requirements and contributions.

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?

Participatory planning for community-led tourism and improved practices for subsistence use of natural resources will require engagement with the local communities, governments, and tour operators. The project will improve the capacity of communities and tour operators through training focused on specific topics. Participatory planning will include poor households in particular, as it is generally such households which conduct most unregulated extraction of natural resources in protected areas.

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?

H Information generation and sharing **H** Consultation **H** Collaboration **H** Partnership

Civil society in the project area includes buffer zone councils and forest user groups. They will be engaged during project implementation. Several CSOs, including conservation and livelihood groups and academic agencies, conduct activities at the park. These agencies participated in the reconnaissance mission stakeholder meetings, and opportunities for collaboration were discussed.

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

Local communities and buffer zone councils will be directly involved in project design and implementation. Tourism related activities need to be environmentally sustainable and culturally sensitive.

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 will work to increase improve the livelihoods of local communities. Installation of small waste collection facilities in existing tourist facilities or public utilities will not require any land acquisition. There will be no restriction of access to community resources; instead, measures will be taken to encourage more sustainable use of pasture and forests.

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

N/A

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

The project activities will not trigger the need for BCS.

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?

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

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

The project in itself is not triggering these issues, but tourism bears inherent risk to local communities. Managing and mitigating these risks will be included in the capacity development and training. Participatory project planning to incorporate environmental and cultural values will help avoid social conflicts.

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

N/A

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?

A tourism expert and livelihood and social development expert will form the due diligence team.