

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Mongolia	Project Title:	Bogdkhan Railway Bypass Investment Program
Lending/Financing Modality:	Multitranche Financing Facility	Department/ Division:	East Asia Department (EARD)/ Transport Division (EATC)

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The project is in line with the Country Strategy and Program (CSP)¹ Transport Sector Framework to support domestic and regional market integration, trade and transit and employment generation. The project supports the Mongolian Government's MDG Based Comprehensive National Development Strategy policy² underlining infrastructure development as a major strategy to achieve MDG objectives. Unemployment is one of the major causes of poverty in Mongolia. Construction and operation of the railway bypass will generate new skilled and unskilled employment opportunities contributing to poverty reduction in the project area. The project also aligns with the Sustainable Transport Initiative (STI) of the ADB as it will help ease traffic congestion, air pollution and the transport of hazardous goods through the densely populated sections of the Ulaanbaatar city.

B. Targeting Classification

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

The proposed rail bypass corridor will result in dispersal of infrastructure facilities to rural and peri-urban areas and will help bringing in economic opportunities of this population and help reduce urban-rural economic disparity. The project will enhance employment and income generating opportunities for the local people and will also connect them to the main regional trade route. The inclusive design of the project will ensure that the local people especially poor and women get priority in unskilled employment generated during the project implementation.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. The project will mainly facilitate trade along the Trans-Siberian Railway network. The improved rail system will benefit the entrepreneurs, traders and local population. The rural poverty incidence in Tuv Aimag is about 35% (2012). Main causes of poverty are – lack of employment and income generation opportunities, small size of herds, extreme climatic condition, and single headed households.
2. Impact channels and expected systemic changes. The project direct benefits are project related unskilled employment and income generation opportunities during project implementation. The current rail line is located in the middle of densely population Ulaanbaatar, and poses health hazards for the urban population who will benefit from cleaner and safer environment.
The Project will indirectly benefit the local population from the reduced prices of the commodities and consumer goods, better income generation opportunities with the economic development of the project area following project implementation.
3. Focus of (and resources allocated in) the PPTA or due diligence. PPTA resources are allocated to ensure that the project design is inclusive and the local people including herders, the poor and women also benefit from the project. The PPTA will assess the gender, social and poverty impacts of the project and help ensure that benefits flow to rural residents, poor and vulnerable including women. A social development action plan (SDAP) will be developed that will include measures to deal with the poverty and social issues.
4. Specific analysis for policy-based lending. NA

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?
Women play an important role in social and economic spheres in Mongolia and they have maintained a degree of positive gender representations.³ Women have a longer life expectancy than men at 70.2 against 63.1 (2007), and outnumber men in school attendance across all ages from seven to 22. Fewer boys than girls are enrolled at intermediate, secondary and tertiary levels. However, women have lower purchasing power than men. They tend to be employed in lower paid sectors of economy. Although women actively participate in social and economic activities, they are significantly underrepresented in power-sharing and decision-making. Female headed households also often tend to be poverty households. The key gender issues in the sector/subsector that are relevant to the project include: (i) gainful employment during project construction; (ii) equal participation and consultation during project design and

¹ <http://www.adb.org/sites/default/files/cps-mon-2012-2016.pdf>

² http://mofa.gov.mn/coordination/images/stories/resource_nds_docs/nds_approved_eng.pdf

³ http://www.unicef.org/sitan/files/SitAn_Mongolia_2009.pdf

implementation; and (iii) project operation related employment opportunities. These issues will be assessed during the PPTA to incorporate appropriate gender measures in the project design.

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 help promote employment and income generation opportunities for women and will help improve their economic condition.

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

Yes No The project does not anticipate any adverse impacts that would 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.

The main beneficiaries include central and local governments and their line agencies; businesses and enterprises; regional partners (Russia and the People's Republic of China); and local population in the project area. The project will have a consultation and participation strategy to ensure meaningful consultation with the key stakeholders especially the project affected local population. The strategy will ensure that the consultation and participation are part of developing the project design and measures to enhance project benefits for the local population.

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 project design will incorporate the views of the local people, including poor, vulnerable and women and other collaborating agencies such as civil society organizations on issues of avoiding or minimizing any possible negative impacts of the project and enhancing the project benefits to these population groups.

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 H Consultation H Collaboration Partnership

Relevant CSOs will be identified during the PPTA and will be consulted in developing an inclusive project design ensuring that the project benefits are equally shared by the poor and vulnerable.

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

Project design will take into account the needs of poor and excluded and will consult with the relevant CSO to enhance the project effectiveness. The main issues will include sharing of project related benefits such as employment and income generation opportunities.

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 is classified as 'Category B' for involuntary resettlement. The corridor alignment is not yet decided, however, it will mainly pass through the sparsely populated grasslands that are under government ownership with local herder having seasonal grazing rights. The rail corridor width is approximately 40 meters and as a result of land acquisition for the project, some herder families will lose their grazing rights and some barns will require demolition.

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

The project area population mainly consists of ethnic Mongols.

3. Will the project require broad community support of affected indigenous communities? Yes No Not Applicable

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 (M) Adhering to core labor standards (M) Labor retrenchment
 Spread of communicable diseases, including HIV/AIDS (M) Increase in human trafficking 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?

During PPTA a poverty and social impact analysis will be conducted and a SDAP will be prepared to address any potential issues.

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 (v) 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?

The PPTA will engage international social development and resettlement specialist 2.5 person-months; involuntary resettlement specialist (national – 3 person-months) and social development specialist (national – 2.5 person-months)

CPS = country partnership strategy, CSO = civil society organization, MDG = millennium development goals, PRC = People's Republic of China, PPTA = technical assistance, SDAP = social development action plan.