



Concept Paper

Project Number: 49210-001
June 2015

Proposed Policy-Based Loan Mongolia: Social Welfare Support Program

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 25 May 2015)

Currency unit	–	togrog (MNT)
MNT1.00	=	\$0.00051
\$1.00	=	MNT1,930

ABBREVIATIONS

ADB	–	Asian Development Bank
CMAP	–	Comprehensive Macroeconomic Adjustment Program
FDI	–	foreign direct investment
GDP	–	gross domestic product
PBL	–	policy-based loan

NOTE

In this report, "\$" refers to US dollars unless otherwise stated.

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PROGRAM AT A GLANCE

1. Basic Data		Project Number: 49210-001	
Project Name	Social Welfare Support Program	Department /Division	EARD/EAOD
Country Borrower	Mongolia Ministry of Finance	Executing Agency	Ministry of Finance
2. Sector	Subsector(s)	ADB Financing (\$ million)	
✓ Public sector management	Social protection initiatives		150.00
		Total	150.00
3. Strategic Agenda	Subcomponents	Climate Change Information	
Inclusive economic growth (IEG)	Pillar 3: Extreme deprivation prevented and effects of shocks reduced (Social Protection)	Climate Change impact on the Project	Low
4. Drivers of Change	Components	Gender Equity and Mainstreaming	
Governance and capacity development (GCD)	Public financial governance	Some gender elements (SGE)	✓
5. Poverty Targeting		Location Impact	
Project directly targets poverty	Yes	Nation-wide	High
Geographic targeting (TI-G)	Yes		
6. Risk Categorization:	Complex		
7. Safeguard Categorization	Environment: C Involuntary Resettlement: C Indigenous Peoples: C		
8. Financing			
Modality and Sources		Amount (\$ million)	
ADB		150.00	
Sovereign Program loan: Ordinary capital resources		150.00	
Cofinancing		0.00	
None		0.00	
Counterpart		0.00	
None		0.00	
Total		150.00	
9. Effective Development Cooperation			
Use of country procurement systems		No	
Use of country public financial management systems		Yes	

I. THE PROGRAM

A. Rationale

1. In a letter dated 15 April 2015, the Government of Mongolia requested financial assistance from the Asian Development Bank (ADB) to help it overcome severe fiscal revenue shortages. The government asked for a policy-based loan (PBL) to ensure that social welfare programs can be sustained during the implementation of a macroeconomic adjustment and fiscal consolidation program.¹ This lending proposal was not included in ADB's 2014–2016 country operations business plan for Mongolia.²

2. **Development problems and opportunities.** Mongolia's economy is highly dependent on its mining sector, which in turn greatly relies on foreign direct investment (FDI). This makes the economy vulnerable to external shocks, particularly weaknesses in commodity prices and in the economic cycles of its trading partners. The external environment is currently unfavorable. Mongolia's mineral production, exports, and fiscal revenues have been depressed by falling commodity prices and moderating growth in the People's Republic of China, which is Mongolia's largest trading partner. In addition, FDI has been falling since 2013 and plummeted by 80% in 2014 due to political instability and weak investor confidence. This has delayed the start-ups of large mining projects that would generate greater revenue for the government budget.

3. Falling FDI has triggered balance of payment pressures, which have led to currency depreciation and an increase in the cost of servicing US dollar-denominated debt. The government consumed a large share of its foreign exchange reserves and borrowed heavily from market sources to meet external financial obligations. Total public debt increased from 32.7% of gross domestic product (GDP) in 2012 to 77.4% in 2014. Currency depreciation aggravated domestic inflationary pressures in 2012–2014 that had been triggered by loose monetary policy. Against this background, GDP growth declined to 7.8% in 2014 from 17.5% in 2011. The government's expansionary fiscal and monetary policies, launched during 2012–2013, did not result in the increase in economic growth that was intended, and aggravated macroeconomic imbalances. GDP growth continues to slow and was 4.4% in the first quarter of 2015. ADB estimates that overall growth for 2015 could fall to 3%. The economic slowdown is creating unemployment and eroding incomes, and the burden of the effects are borne disproportionately by the vulnerable and the poor.

4. **Government crisis response and reform efforts.** A new government assumed office in November 2014. It has taken important steps to stabilize the economy and consolidate fiscal expenditures. The central bank tightened monetary policy, and this brought inflation down into single digits (9.2% in April 2015). The government amended the country's fiscal stability law so that it covered off-budget expenditures by the Development Bank of Mongolia, and reflected the adoption of a medium-term fiscal framework aimed at gradually reducing fiscal deficit and debt levels. It is prioritizing social welfare services and increased the resources for the country's food stamp program by 80% in January 2015.

5. A comprehensive macroeconomic adjustment program (CMAP) approved by Parliament in February 2015 to stabilize the economy calls for a variety of short- and medium-term policy actions to stabilize the economy and undertake structural reforms intended to lay the

¹ A second request on 15 April for ADB to provide balance of payments support through a special PBL was not pursued in the absence of an International Monetary Fund standby program.

² ADB. 2014. *Country Operations Business Plan: 2014–2016*. Manila.

foundations for sustainable growth. In addition to actions for fiscal consolidation and improved debt management, the CMAP includes measures that aim to diversify Mongolia's sources of economic growth, strengthen investor confidence, and ensure that social welfare is sustained.

6. The CMAP is built on fiscal restraint. The Ministry of Finance has been implementing a stringent fiscal consolidation program to try to reduce the fiscal deficit from 11.5% in 2014 to the 5% targeted by the country's fiscal stability law for 2015. This is a massive adjustment, particularly during an economic slowdown and in the face of external shocks. A budget amendment approved in January 2015 reduced initial expenditure projections by 7.3%. The government has also downsized government ministries, increased fuel taxes, and reduced capital expenditures.

7. However, the short-term contractionary effects of the CMAP compounded by the persistence of the negative external economic factors have resulted in additional fiscal revenue shortages (MNT500 billion or \$265 million). The size of the fiscal gap indicates that (i) capital expenditures will need to be reduced, which will further depress GDP growth and employment; and (ii) in the absence of donor's assistance, social welfare programs will have to be curtailed when they are needed most. It is vital that the government develops policies to protect the vulnerable and the poor. Since the country's social welfare schemes are well-established, policy actions should focus on consolidating social welfare programs and ensuring that they become better at delivering a greater part of the benefits to the country's neediest citizens. Failing to do so could reverse the commendable poverty reduction Mongolia achieved during 2010-2012.³

8. The system needs better targeting to deliver more of the benefits to the poor. Most social transfers are categorically targeted. This makes the welfare system costly. Social transfers are made through 71 funds for the provision of social pensions, allowances, and services to citizens with special needs. This broad, fragmented approach results in overlapping subsidies, which undermine the effectiveness of the social transfers system upon which the poor depend for a large share of their income.⁴ An integrated poverty-targeting household information database based on proxy-means testing is applied only to the food stamp program. Policy action is therefore needed to consolidate the delivery of welfare benefits and gradually apply poverty-targeting to a greater number of welfare programs.

9. **Government plans and the linkage with the country partnership strategy.** The Social Welfare Support Program will be aligned with the government action plan to restore macroeconomic stability to support inclusive growth. It is consistent with the main pillars of ADB's interim country partnership strategy for Mongolia, 2014–2016—sustainable growth and inclusive social development.⁵

10. **Development partner coordination.** The objectives of this ADB program have been shared with the International Monetary Fund, the World Bank, and the Government of Japan through the Japan International Cooperation Agency. The program has been well received as it will help to reduce the government's financing costs and ensure social welfare protection during the fiscal consolidation process.

³ The poverty rate declined by 11 percentage points from 38% in 2010 to 27% in 2012 (the most recent year for which poverty data is available). The reduction was largely the result of increased social transfers.

⁴ Social transfers in Mongolia account for 42% of the income of the poorest 10% of households, and for one-third of the income for the poorest 40%.

⁵ ADB. (Year). *Interim Country Partnership Strategy: Mongolia, 2014–2016*. Manila.

11. **Proposed financing modality.** A two-tranche stand-alone PBL to the government is proposed to finance the program and to help ensure that social welfare spending and standards are maintained throughout the macroeconomic and fiscal adjustment process. Given the severity of the current budget shortfalls and their impending negative effects on social welfare programs, the government has requested that ADB expedite loan processing and disburse the first tranche within 2015.

12. **Program justification.** The program will fill critical short-term revenue shortages that, if unaddressed, will translate into significant cuts in welfare programs in 2015. This will affect the existing poor population disproportionately and push more people below the poverty line. The program will also support reforms needed to strengthen the sustainability and impact of social welfare programs in the longer term.

B. Impact, Outcome, and Outputs

13. The impact will be sustained financing for social welfare programs. The outcome will be improved targeting and consolidation of social welfare programs. The outputs will be social welfare budget maintained, and policies and regulations to support targeting and consolidation of social welfare programs improved.

C. Program Costs and Financing

14. The program is estimated to cost \$100-\$150 million,⁶ which will be drawn from ADB's ordinary capital resources (Table 1). The PBL will have a 15-year term, including a grace period of 3 years, and an annual interest rate determined in accordance with ADB's London interbank offered rate (LIBOR)-based lending facility, plus a commitment charge of 0.15%.⁷ The loan proceeds will be disbursed in two tranches.

15. The loan size is determined with due consideration of the importance of supporting (i) the government's macroeconomic and fiscal stabilization program, (ii) the development financing needs of the country, and (iii) social welfare programs. The loan proceeds will substantially contribute to closing the fiscal gap in the budget in accordance to the targets established by the FSL, and ensure financing for social welfare programs is maintained.

Table 1: Tentative Financing Plan

Source	Amount (\$ million)	Share of Total (%)
Asian Development Bank		
Ordinary capital resources (loan)	100.0-150.0	100.0-150.0
Total	100.0-150.0	100.0-150.0

Source: Asian Development Bank estimates.

D. Indicative Implementation Arrangements

16. The Ministry of Finance is expected to serve as the executing agency to coordinate and monitor program implementation. The implementation agencies will be selected once the specific policy actions are identified with the government. Implementation will be from 1 December 2014 to 30 June 2016. The loan proceeds will be disbursed in line with simplified

⁶ A range of \$100-\$150 million is provided as per Vice President Operations 2's advice. The final amount will be agreed upon the completion of the fact-finding mission when more details are available about the size of the fiscal gap and the country's financial needs.

⁷ ADB. 2013. Program Lending. *Operations Manual*. OM D4. Manila.

disbursement procedures for program loans and ADB's *Loan Disbursement Handbook* (2015, as amended from time to time). The proceeds of a particular tranche under the loan will be disbursed upon ADB's satisfaction that the agreed policy actions have been completed.

II. DUE DILIGENCE REQUIRED

17. Due diligence for the program will include a sector assessment, fiduciary risks assessment, and preparation of a summary poverty reduction and social strategy. The program is expected to be category C for environment, involuntary resettlement, and indigenous peoples. Should policy actions result in environmental or social impacts, a matrix of potential impacts and appropriate mitigation measures will be prepared.

18. Given Mongolia's vulnerability to external shocks, a deterioration in the external environment beyond current expectations will aggravate fiscal revenue shortages. This would require additional resources to ensure the effectiveness of the program.

III. PROCESSING PLAN

A. Risk Categorization

19. The program is classified as complex as it exceeds \$50 million.

B. Resource Requirements

20. Program processing is estimated to require a total of 8 person-months of staff time.

C. Processing Schedule

21. The proposed processing schedule is in Table 2.

Table 2: Proposed Processing Schedule

Major Milestones	Expected Completion Date
Program concept paper approval	June 2015
Loan fact finding	June 2015
Management review meeting	August 2015
Loan negotiations	September 2015
Board consideration	October 2015
Loan signing	October 2015
Loan effectiveness	October 2015

Source: Asian Development Bank estimates.

IV. KEY ISSUES

22. Close coordination is required with the International Monetary Fund to monitor the direction of Mongolia's macroeconomic policy and progress on implementing the country's reform program. Fiscal budget developments must be watched carefully in light of the severity of the fiscal revenue shortages and their potential adverse impact on the vulnerable and the poor.

DESIGN AND MONITORING FRAMEWORK

Impacts the program is aligned with:

Sustained financing for social welfare programs (Comprehensive Macroeconomic Adjustment Plan, 2015-2017)

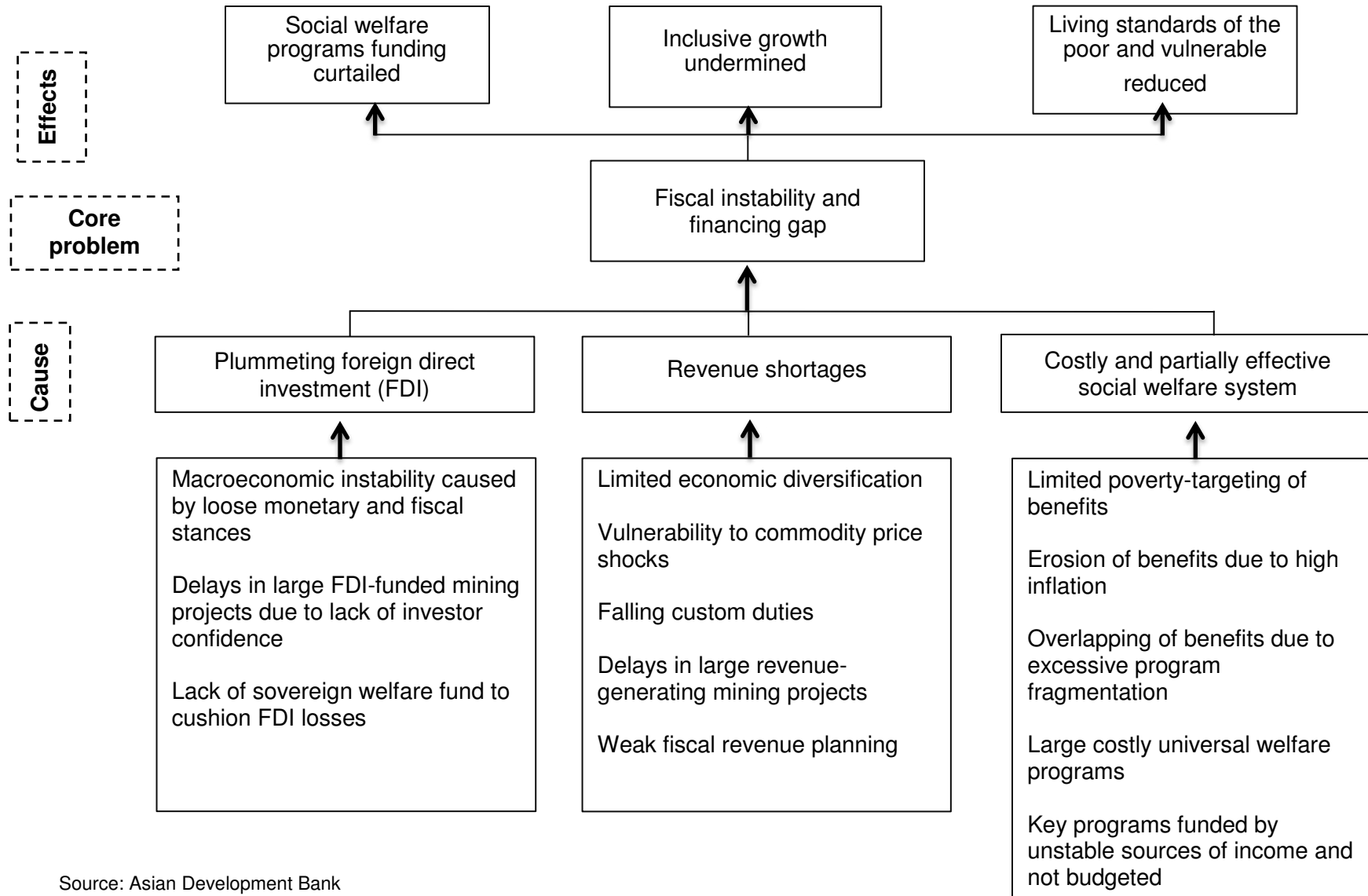
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
Outcome Improved targeting and consolidation of social welfare programs	a. Total poverty-targeted transfers to poorest households increased (2014 baseline: MNT10 billion)	a. Annual budget report	Political instability, including the possibility of early elections, paralyzes the reform program.
Outputs 1. Social welfare budget maintained	1a. Social welfare expenditures maintained or increased in 2015 (2014 baseline: MNT286 billion) 1b. The Parliament approves the CMAP by October 2015 1c. The government makes the Budget Transparency Law effective by October 2015 1d. The Parliament approves the first amended of the 2015 budget that reflected (i) a 7.3% expenditures reduction; and (ii) increased fuel taxes revenue by MNT228 billion by October 2015 1e. The Parliament approves the amended FSL to (i) include budgetary expenditures financed by the Development Bank of Mongolia under the State budget; and (ii) to reflect a gradual reduction of fiscal deficit and debt levels to the original targets of the Law by 2018 (2% and 40% of GDP, respectively), by October 2015 1f. The Parliament approves the mid-term debt management strategy, 2016-2018, by October 2015 1g. The government terminates the PSP and transfers the outstanding loans from the central bank to the State budget to be subject to the Fiscal Stability Law by October 2015	1a. Annual budget report 1b. CMAP 1c. Budget Transparency Law 1d. Amended Budget 1e. Amended FSL 1f. Mid-term debt management strategy, 2016-2018 1g. Government decree on the program's termination	Prices of mineral resources plummet beyond expectations, sharply reducing government fiscal revenue. Weak public financial management

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
	<p>1h. The government submits to Parliament a second 2015 budget amendment to adjust fiscal expenditure ensuring that funding for social welfare programs is maintained by December 2015</p> <p>1i. The government submits to Parliament a revised DBM Law to improve the bank's transparency and accountability, including (i) subjecting the bank to the central bank's supervision; (ii) ensuring independent investment decision-making; and (iii) regular financial statements' disclosure, by June 2016</p>	<p>1h. Amended budget</p> <p>1i. Revised DBM Law</p>	
<p>2. Policies and regulations to support targeting and consolidation of social welfare programs improved</p>	<p>2a. The government increases funding for the Food Stamp Program by October 2015 (2014 baseline: MNT10 billion)</p> <p>2b. The Parliament approves the Revised Citizens' Health Insurance Law by October 2015</p> <p>2c. The Cabinet issues a decree to use the poverty-targeted Integrated Household Information Database across government programs by October 2015</p> <p>2d. The government allocates funding under the 2015 MPDSP budget to maintain and update the poverty-targeted Integrated Household Information Database by October 2015</p> <p>2e. The Government through the MPDSP issues a ministerial order requiring the Health Insurance Organization to ensure health insurance coverage for household members in need of social welfare services by June 2016.</p>	<p>2a. Annual budget report</p> <p>2b. Revised Citizen's Health Insurance Law</p> <p>2c. Draft Cabinet decree</p> <p>2d. MPDSP budget</p> <p>2e. MPDSP ministerial decree</p>	<p>Political will to complete the reforms is lacking due to vested interests.</p> <p>Capacity limitations constrain the implementation of some of the proposed reforms.</p>

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
	<p>2f. The government prepares a draft resolution for at least two ministries to use proxy-means testing in selected programs by June 2016</p> <p>2g. The government includes a budget line under the MPDSP's 2016 budget for maintaining and updating the poverty-targeted Integrated Household Information Database in 2016 by December 2015</p> <p>2h. The Prime Minister establishes an inter-ministerial working group to analyze options and prepare a plan to further consolidate social welfare programs of the MPDSP by June 2016</p> <p>2i. The government strengthens monitoring and evaluation of social welfare programs by ensuring budget allocations for the quarterly preparation of the 2016 HSES by December 2015</p>	<p>2f. Draft government resolution</p> <p>2g. MPDSP budget</p> <p>2h. Prime-ministerial order</p> <p>2i. Annual budget report</p>	
Key Activities with Milestones Not applicable			
Inputs			
ADB: \$100- \$150 million policy-based loan			
Assumptions for Partner Financing			
Not applicable			

CMAP=Comprehensive Macroeconomic Adjustment Program; DBM=Development Bank of Mongolia; FSL=Fiscal Stability Law; HSES=Household Socioeconomic Survey; MPDSP=Ministry of Population Development and Social Protection; PSP=Price Stability Program
Source: Asian Development Bank.

PROBLEM TREE



INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Mongolia	Program Title:	Social Welfare Support Program
Lending/Financing Modality:	Policy-based lending	Department/ Division:	East Asia Department/ Urban and Social Sectors Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The Social Welfare Support Program will be aligned with the government's Comprehensive Macroeconomic Adjustment Program (CMAP), approved by Parliament in February 2015. The CMAP include a wide variety of short- and medium-term policy actions aimed at stabilizing the economy and undertaking structural reforms to lay the foundations for sustainable and inclusive growth. In addition to actions for fiscal consolidation and to improve debt management, the CMAP includes measures to diversify the sources of the country's economic growth, strengthen investor confidence, and ensure social protection and welfare. The program is consistent with the Asian Development Bank's interim country partnership strategy for Mongolia, 2014–2016, which highlights sustainable growth and inclusive social development as its main pillars.^a

B. Poverty Targeting:

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

The program will provide budget support to the government to offset growing revenue shortages resulting from an unfavorable external environment and the short-term contractionary effects of the CMAP's implementation. The program will focus on protecting the poor and the vulnerable from these impacts by ensuring adequate funding for welfare programs and improving their targeting of the needy. Specific measures will be formulated in consultation with a variety of stakeholders in the government (program conditionality) to ensure that necessary actions are taken to sustain social safety nets during the ongoing economic restructuring and fiscal consolidation process. These will include the adoption of proxy-means targeting across selected welfare programs and sectors.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. The current economic slowdown in Mongolia is affecting all citizens through such effects as job losses, reduced incomes, and high inflation. These impacts are disproportionately hard on the poor. All the country's citizens will benefit from the program and a system of social assistance that is fiscally sustainable, but the greatest impact will be on the country's poorest and most vulnerable people. They will benefit from enhanced pro-poor and inclusive growth, improvement in the social welfare system's targeting of the needy, and greater efficiency and sustainability in social welfare funding.

2. Impact channels and expected systemic changes. Direct and short-term impacts will come through sustained current levels of social expenditures by the government, and access to social welfare benefits by the poor maintained. Direct and medium-term impacts will come through increased efficiency in the social welfare system, better targeting of those most in need, and greater government capacity to monitor social welfare assistance.

3. Focus of and resources allocated in the project preparatory technical assistance (TA) or due diligence. The Asian Development Bank has had a steady presence in Mongolia's social welfare sector since 2000, and provided two program loans to address crises in 2005 and 2009. The poverty and social assessment for this project will draw from existing reports and analyses on social welfare reform, current research on poverty, and consultations with key stakeholders. A national consultant (1 month) and staff resources will be used to prepare inputs and a summary poverty reduction and social strategy.

4. Specific analysis for policy-based lending. A social protection sector assessment and program impact will be conducted and a report prepared as part of the support documents required for preparation of the report and recommendation of the President.

II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this program? Not applicable. The proxy-means testing is sex-disaggregated and identifies households headed by a single person as one variable. Many of these are headed by women. Some benefits that may be considered for welfare program's consolidation of go primarily or to women (e.g., new mothers), and this will be considered in the work on consolidation.

<p>2. Does the proposed 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No The program is focused on protecting the poor during the CMAP and ensuring the maintenance of the social welfare programs. This will benefit all citizens of Mongolia.</p> <p>3. Could the proposed program have an adverse impact on women and/or girls or widen gender inequality? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No The maintenance of social welfare programs will benefit women and girls.</p> <p>4. Indicate the intended gender mainstreaming category: <input type="checkbox"/> GEN (gender equity) <input type="checkbox"/> EGM (effective gender mainstreaming) <input checked="" type="checkbox"/> SGE (some gender elements) <input type="checkbox"/> NGE (no gender elements)</p>
III. PARTICIPATION AND EMPOWERMENT
<p>1. Who are the main stakeholders of the program, including beneficiaries and negatively affected people? Identify how they will participate in the program design. The budget support provided by the program will help the government fill fiscal revenue shortages to ensure that its social welfare spending and standards are maintained. Main stakeholders include the Ministry of Finance, the Ministry of Population Development and Social Protection, and the Ministry of Health, the broader population; and the poor in need of social assistance.</p> <p>2. How can the program contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable, and excluded groups? What issues in the program design require participation of the poor and excluded? The policy-based loan will provide budget support to the Ministry of Finance to address revenue shortages.</p> <p>3. What are the key, active, and relevant civil society organizations in the program area? What is the level of civil society organization participation in the project design? Consultation with research institutions. <input checked="" type="checkbox"/> Information generation and sharing <input checked="" type="checkbox"/> Consultation <input type="checkbox"/> Collaboration <input type="checkbox"/> Partnership</p> <p>4. Are there issues during program design for which participation of the poor and excluded is important? What are they and how shall they be addressed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Focus group discussions in rural and urban communities will be conducted to make a rapid assessment of the impacts of the current crisis on households and particularly the poor.</p>
IV. SOCIAL SAFEGUARDS
<p>A. Involuntary Resettlement Category <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Does the program have the potential to involve involuntary land acquisition resulting in physical and economic displacement? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No The program does not include land acquisition or civil works.</p> <p>2. What action plan is required to address involuntary resettlement as part of the project preparatory TA or due diligence process? <input type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> None</p>
<p>B. Indigenous Peoples Category <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Does the program have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Existing social welfare programs cover all eligible citizens regardless of ethnicity.</p> <p>2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No The program is direct budget support. All citizens of Mongolia will benefit and no adverse impact on IPs will be generated.</p> <p>3. Will the program require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No No adverse impact on IPs will be generated.</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the project preparatory TA or due diligence process? <input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Social Impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> None</p>
V. OTHER SOCIAL ISSUES AND RISKS

<p>1. What other social issues and risks should be considered in the program design?</p> <p><input checked="" type="checkbox"/> Creating decent jobs and employment <input type="checkbox"/> Adhering to core labor standards <input type="checkbox"/> Labor retrenchment <input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS <input type="checkbox"/> Increase in human trafficking <input type="checkbox"/> Affordability <input type="checkbox"/> Increase in unplanned migration <input type="checkbox"/> Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability <input type="checkbox"/> Creating internal social conflicts <input type="checkbox"/> Others, please specify _____</p> <p>2. How are these additional social issues and risks going to be addressed in the program design? These are addressed as part of the CMAP and by Technical Assistance from the Asian Development Bank and the World Bank.</p>
<p>VI. PROJECT PREPARATORY TECHNICAL ASSISTANCE OR DUE DILIGENCE RESOURCE REQUIREMENT</p>
<p>1. Do the terms of reference for the project preparatory TA (or program assessments) contain key information needed to be gathered during project preparatory TA or the program assessment 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?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A poverty and social analysis and social protection sector assessment will be conducted. Specific measures will be formulated to ensure adequate welfare funding for the poor.</p>
<p>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 project preparatory TA or the program assessments? 1 month of national consultant services; staff resources</p>

^a ADB. (2014). *Interim Country Partnership Strategy: Mongolia, 2014–2016*. Manila. Source: Asian Development Bank.