



Initial Poverty and Social Analysis

July 2019

Mongolia: Climate-Resilient and Sustainable Livestock Development Project

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 30 July 2019)

Currency unit	–	tugrik (MNT)
MNT1.00	=	\$0.00038
\$1.00	=	MNT2,666.00

ABBREVIATIONS

TA	–	technical assistance
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GLOSSARY

<i>aimag</i>	–	province
<i>soum</i>	–	district
<i>dzud</i>	–	episode of extreme winter weather

NOTE

In this report, “\$” refers to United States dollars.

Vice-President	Ahmed M. Saeed, Operations 2
Director General	Amy S. P. Leung, East Asia Department (EARD)
Director	Qingfeng Zhang, Environment, Natural Resources, and Agriculture Division, EARD
Team leaders	Jan F. Hinrichs, Senior Natural Resources Economist, EARD Amir H. Jilani, Young Professional, EARD
Deputy team leader	Enerelt Enkhbold, Senior Investment Officer, EARD
Team members	Mark R. Bezuijen, Senior Environment Specialist, EARD Daisy B. Gavina, Associate Project Analyst, EARD Mart Khaltarpurev, Principal Procurement Specialist, PFP2 Dorothea Lazaro, Regional Cooperation Specialist, EARD Suzanne Kay Robertson, Senior Natural Resources and Agriculture Specialist, EARD Nogendra P. Sapkota, Senior Social Development Specialist, EARD Aysha Qadir, Principal Counsel, OGC
Peer reviewer	Takeshi Ueda, Principal Natural Resources and Agriculture Economist, Southeast Asia Department

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INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Mongolia	Project Title:	Climate-Resilient and Sustainable Livestock Development Project
Lending/Financing Modality:	Project Loan	Department/Division:	East Asia Department/Environment, Natural Resources, and Agriculture Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS
A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy
<p>The project is consistent with Asian Development Bank's country partnership strategy for Mongolia, 2017–2020^a to support inclusive and environmentally sustainable growth. The project will support the Ministry of Food, Agriculture and Light Industry in its efforts to improve livelihoods of rural farmers and herders and reduce poverty. It will support the priorities of the Government of Mongolia's Sustainable Development Vision 2030 and State Policy to improve the sustainability and competitiveness of Mongolia's livestock sector through improved livestock, pasture and water management, meat and dairy value chain development, and capacity-building.^b The project will increase farmers' income and livelihood opportunities by improving productivity, market access, and quality in livestock-based production systems.</p>
B. Targeting Classification
<p><input checked="" type="checkbox"/> General Intervention <input type="checkbox"/> Individual or Household (TI-H) <input type="checkbox"/> Geographic (TI-G) <input type="checkbox"/> Non-Income MDGs (TI-M1, M2, etc.)</p> <p>The project has been classified as general intervention. All farming households in the project, including the poor and non-poor households, will benefit from the project.</p>
C. Poverty and Social Analysis
<p>1. Key issues and potential beneficiaries.</p> <p>Mongolia has a total population of just over 3 million and the poverty incidence has increased because of recent macroeconomic instability, lack of economic diversification resulting from over reliance on the mining sector and growing environmental pressures (poverty incidence rose from 21.6% in 2014 to 29.6% in 2016).</p> <p>Mongolia's livestock sector is characterized by an extensive livestock production system dependent on access to pasturelands. However, the ever-increasing number of animals exceeding the carrying capacity of pastureland and the absence of proper pasture and water resource management has caused overgrazing, desertification, poor livestock health, and poor quality of products. It is estimated that 70% of Mongolia's pastureland is now degraded. In addition, various inefficiencies throughout the meat and dairy value chains including disease outbreaks, poor quality products due to limited knowledge of animal feed and breeding practices, inadequate animal traceability, and poor hygiene practices and sanitary standards have constrained herder incomes and Mongolia's export potential.</p> <p>The project will enhance the income, resilience and livelihood of herders through improved livestock, pasture and water management (by establishing or strengthening herder groups and cooperatives and installing new water points to extend pasture area) and strengthen value chains through improved veterinary and breeding services, agriculture extension services, and market linkages with agribusinesses.</p> <p>The technical assistance (TA) will identify potential beneficiary households and prepare beneficiary profiles for the project area. The TA will also assess needs and constraints of potential beneficiary households to access project benefits.</p>
<p>2. Impact channels and expected systemic changes.</p> <p>The project's output 1 will strengthen institutional and regulatory arrangements, governance, capacity and policies to better manage livestock, pasture and water resources. Output 2 will improve livestock, pasture and water management by forming new or strengthening existing herder cooperatives and herder group organizations and establishing new water points and rehabilitating existing ones. Output 3 will strengthen meat and dairy value chains at the local <i>soum</i> level by improving productivity, market access and quality in livestock-based production systems.</p> <p>The TA will further assess impact channels and determine social changes or benefits under each project output.</p>
<p>3. Focus of (and resources allocated in) the TA or due diligence.</p> <p>The project's due diligence will focus on social, poverty, and gender issues. Social development and safeguard specialists (international and national) will be included in the TA team to undertake social assessments and develop necessary measures on relevant social issues. The social specialists will (i) prepare and implement a consultation participation plan; (ii) undertake poverty and social analysis (identifying project area and impact zone, collecting baseline socio-economic data and poverty profile, and assessing project's social impacts/benefits for different social</p>

groups); (iii) identify needs/opportunities for local farmers and develop measures to maximize benefits; (iv) develop targeted measures for the poor, women and vulnerable groups; and (v) develop necessary social reports and action plans based on (i)–(iv).
II. GENDER AND DEVELOPMENT
<p>1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program?</p> <p>Mongolia has a comparatively strong history of striving towards gender equity. Women are involved in livestock production, processing and marketing. Women have strong knowledge of local resources and livestock production systems. However, women are relatively less actively engaged in community-level decision making processes. They need support in capacity building in meat and dairy value chains (production, processing and marketing) as well as their increased participation in community-level decision-making (e.g. livestock, pasture and water management). Gender issues in the project areas will be further investigated and necessary measures for effective gender mainstreaming identified by TA consultants during project preparation.</p> <p>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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please explain. The project has potential to improve women's empowerment in meat and dairy value chains (production, processing and marketing) as well as management of livestock, pasture and water resources. The TA will develop a gender action plan comprising gender mainstreaming or empowerment measures to be included in the project design.</p> <p>3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please explain The project is not expected to involve adverse impact on women, or it is unlikely to widen gender inequality.</p> <p>4. Indicate the intended gender mainstreaming category: <input type="checkbox"/> GEN (gender equity theme) <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 project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.</p> <p>The main stakeholders are the Ministry of Food, Agriculture and Light Industry, local level governments, and local beneficiaries. All stakeholders' views and their needs will be assessed during the project preparation. Surveys, meetings, interviews, and other appropriate activities will be conducted to ensure participation of stakeholders in the project design.</p> <p>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?</p> <p>The TA will ensure that local stakeholders including the poor and vulnerable groups participate in the project. Adequate consultations will be undertaken to solicit views of local communities during preparation of the project components. The project design will incorporate views and preferences of local communities regarding engineering and hand wells, herder group organizations, and value chain activities (production, processing and marketing).</p> <p>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? Civil society organizations (CSO) in the project areas include local village councils, farmers associations, cooperatives and other non-government organizations. The TA will identify CSOs that are operating in the project areas and will consult with them during the project preparation. CSOs will be engaged during preparation and implementation of the project activities.</p> <p><input checked="" type="checkbox"/> Information generation and sharing (H) <input checked="" type="checkbox"/> Consultation (M) <input checked="" type="checkbox"/> Collaboration (L) <input type="checkbox"/> Partnership</p> <p>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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Participation of farmer households, including the poor and vulnerable groups, is important in the design and implementation of new water wells as well as meat and dairy value chain activities, such as improved market linkages, animal health, breeding and veterinary services, and agriculture extension activities.</p>
IV. SOCIAL SAFEGUARDS
A. Involuntary Resettlement Category <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI

<p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Land owned by <i>aimag</i> or <i>soum</i> governments for the new water wells, livestock shelters, and fodder storage facilities will be on vacant and unencumbered land, free of any dispute, or of legacy or outstanding issues of past acquisition. Due diligence will be carried out during project preparation to ensure that the subproject selection criteria will be strictly applied to exclude activities that may involve IR impacts.</p> <p>2. What action plan is required to address involuntary resettlement as part of the transaction 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 proposed project 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</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</p> <p>The project activities are not expected to impact distinct and vulnerable groups of ethnic minorities that would trigger ADB SPS requirements on Indigenous Peoples. This will be confirmed during project preparation.</p> <p>3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the transaction 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>
<p style="text-align: center;">V. OTHER SOCIAL ISSUES AND RISKS</p> <p>1. What other social issues and risks should be considered in the project design? <input checked="" type="checkbox"/> Creating decent jobs and employment (M) <input checked="" type="checkbox"/> Adhering to core labor standards (L) <input type="checkbox"/> Labor retrenchment <input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS <input type="checkbox"/> Increase in human trafficking <input checked="" type="checkbox"/> Affordability (M) <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 project design? These social risks will be assessed, and necessary measures will be included in project design.</p>
<p style="text-align: center;">VI. Transaction TA OR DUE DILIGENCE RESOURCE REQUIREMENT</p> <p>1. Do the terms of reference for the transaction TA (or other due diligence) contain key information needed to be gathered during transaction TA 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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</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 TA or due diligence? Social development and safeguard specialists (1 international and 1 national) will be part of the TA team. Necessary budgets for survey, field visits, etc. will be included in the TA.</p>

^a ADB. 2017. *Country Partnership Strategy: Mongolia, 2017–2020—Sustaining Inclusive Growth in a Period of Economic Difficulty*. Manila.

^b Government of Mongolia. *Sustainable Development Vision 2030*; and *Rangeland Protection Law (debated in parliament house on 7 May 2019)*. Ulaanbaatar; MOFALI. 2019. *Order A-105 of the Minister of Food, Agriculture and Light Industry. Action Plan of Mongolian Agenda for Sustainable Livestock*. Ulaanbaatar.