



# Initial Poverty and Social Analysis

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## Mongolia: Sustainable Tourism Development Project (Phase 2)

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## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Mongolia	Project Title:	Sustainable Tourism Development Project (Phase 2)
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

The project will support sustainable tourism development in three *aimags* (Bayan-Ulgii, Khovd, and Uvs) in western Mongolia. It will contribute to Mongolia's Sustainable Development Vision 2030 for improved livelihoods, sustainable tourism development, and natural resources management. The project is consistent with the Asian Development Bank's (ADB) country partnership strategy for Mongolia, 2017–2020 to promote inclusive and sustainable growth.<sup>a</sup>

#### B. Targeting Classification

General Intervention  Individual or Household (TI-H)  Geographic (TI-G)  SDGs (3,9,11,15)<sup>b</sup>

The project has been classified as general intervention. All households in the project area, including the poor, are expected to benefit from the project. The transaction technical assistance (TA) will collect detailed poverty data of the project area to confirm the targeting classification during the project preparation.

#### C. Poverty and Social Analysis

##### 1. Key issues and potential beneficiaries.

Mongolia has a total population of 3.3 million. In 2018, the project *aimags* had a total population of 277,729. Livestock and agriculture are the two main livelihoods, and non-agricultural sectors are poorly developed. In general, development in western Mongolia is limited by: (i) remoteness from Ulaanbaatar, (ii) poor infrastructure and industry, (iii) low level of urbanization, and (iv) dependence on pastoral livestock and subsistence agriculture.

The poverty incidence in Mongolia has increased in recent years, from 21.6% in 2014 to 28.4% in 2018. The poverty rates vary, with the national level of poverty rate at 28.4%, the urban poverty rate at 27.2%, and rural poverty rate at 30.8% in 2018. The poverty rates are particularly high in the western region (31.8%) and the project *aimags* (24.3% for Bayan-Ulgii, 40.1% for Khovd, and 29.6% for Uvs).

The project beneficiaries include local communities, tourism enterprises, and tourists in the project *aimags*. The project will benefit local communities through diversified income opportunities from tourism. For tourism enterprises and tourists, the project will provide better tourism related infrastructure and services. The TA will collect detailed data on beneficiaries and their needs during the project preparation.

##### 2. Impact channels and expected systemic changes.

The project will benefit local communities and other beneficiaries through four outputs: (i) inclusive planning and capacity for local tourism businesses enhanced; (ii) enabling infrastructure for tourism constructed; (iii) sanitation and waste management improved; and (iv) management of cultural heritage sites and protected areas strengthened. The first output will support institutional framework, destination management and promotion, and community-led initiatives to promote sustainable and inclusive tourism and boost local economy. The second output will support necessary tourism infrastructure and services, such as visitor centers, power supply, on-site sanitation and solid waste management, access roads, and car parks. The third output will establish sanitation standards for the local tourism sector and low-cost, gender-sensitive toilets for selected sites. The fourth output will support construction of a rock art information center and digital museum and related services (including public access and site protection). The project will create local employment and income generation opportunities during project implementation and operation phases.

The TA will undertake a detailed social analysis, including assessment of potential project benefits and distribution of benefits among different beneficiary groups (including the poor, women, and vulnerable groups).

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

Social and gender specialists (one international and one national) will be included in the TA team to undertake social assessments and develop necessary measures to maximize positive social impacts and minimize adverse social impacts for local communities. The specialists will: (i) prepare and implement a consultation and participation plan; (ii) undertake poverty, gender, and social analyses (identifying project impact zone, collecting baseline socio-economic data and poverty profile, and assessing project's social impacts/benefits across different social groups); (iii) identify needs and opportunities for local people and develop measures to maximize benefits; (iv) develop measures to target the poor, women, and vulnerable groups; and (v) develop necessary social reports and action plans based on (i)-(iv).

## 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. Key issues relevant to the project are weak participation of women in the labor force and decision-making processes, and limited employment opportunities for women in rural areas. Livelihoods for women in the project area are relatively focused on traditional roles such as agriculture. Family responsibilities are largely managed by women. Capabilities among local women remain largely untapped in producing and selling tourism goods and services. A very small number of women benefit from employment and/or income from the tourism sector; and most of such employment comprises low-skill jobs such as cleaning and cooking with low salaries. Women have the potential to increase their involvement in selling of agriculture products (e.g. food, dairy items) and handicrafts to tourists and tour companies but require capacity building to benefit fully from tourism-related opportunities. Women are key stakeholders, and their participation will be crucial to the project's success. The TA will undertake gender analysis as part of the social analysis to further identify specific gender issues during the project preparation.

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 Please explain.

The project will strive to empower women through their representation in project-related decision making and participating and benefiting from the project activities. The project design will include gender elements to ensure women are properly represented during consultation processes, training and economic opportunities under the project. The TA will identify specific measures to strengthen opportunities for women and gender equality, including preparation of a gender action plan, with detailed actions and targets for women.

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

Yes  No Please explain

The project is not expected to involve adverse impact on women, or it is unlikely to 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.

Key stakeholders include central and local government agencies, local communities, tourism businesses, and civil society organizations (CSOs). Public consultations with stakeholders, including women and the poor, will be conducted during the project preparation. The project design will incorporate stakeholders' feedback received during the project preparation. Consultation and participation will be continued during project implementation as well. A consultation and participation plan and a stakeholder communication strategy will be prepared, which will provide details on consultation, participation, and communication activities for the project. Meetings, workshops, interviews, and other communication means will be methods for stakeholder communication and participation.

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 and implementation process will be participatory, and it will ensure engagement of stakeholders including local communities, local governments, tour operators, and CSOs. Participation and consultation activities will also include representatives of the poor and vulnerable households in particular.

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 (M)  Collaboration (L)  Partnership N/A

CSOs in the project area include community groups (buffer zone councils, forest users' groups, etc.) and non-governmental organizations. They will be engaged during project preparation.

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

The participation of poor and vulnerable groups is important in the development of tourism activities. Representatives of poor and vulnerable groups will be involved in design and implementation of relevant activities, such as training, jobs and other tourism activities.

<b>IV. SOCIAL SAFEGUARDS</b>
<p><b>A. Involuntary Resettlement Category</b> <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p> <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>All civil works under the project are expected to be in existing rights of way or state-owned lands, without involving any legacy or third-party issues (e.g. past land acquisition or existing licenses to companies for other activities or individuals, households or communities who may be using land informally and/or on a seasonal basis for livelihoods). There will be no restriction of communities to natural parks or resources under the project. This will be confirmed by the TA during the project preparation.</p> <p>2. What action plan is required to address involuntary resettlement as part of the PPTA 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>B. Indigenous Peoples Category</b> <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>The project <i>aimags</i> support a range of ethnic minority groups, which are not expected to be vulnerable due to their ethnic background or the project context. The TA social specialists will identify and assess the presence of ethnic minority groups in the project area; and confirm the category during the project preparation.</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>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 PPTA 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>
<b>V. OTHER SOCIAL ISSUES AND RISKS</b>
<p>1. What other social issues and risks should be considered in the project design?  <input type="checkbox"/> Creating decent jobs and employment <input checked="" type="checkbox"/> Adhering to core labor standards <input type="checkbox"/> Labor retrenchment  <input checked="" 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 project design?  These issues and risks will be assessed during the TA social analyses, and mitigation measures will be developed as needed and included in the project design.</p>
<b>VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT</b>
<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?  One international and one national social and gender specialist, having relevant work experience in Mongolia, will be included in the TA. Costs for surveys and consultations will be included in the TA budget.</p>

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

<sup>b</sup> United Nations. 2016. [Sustainable Development Goals](#).

Source: Asian Development Bank estimates.