



Initial Poverty and Social Analysis

October 2018

Mongolia: Vegetable Production and Irrigated Agriculture

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 5 October 2018)

Currency unit	–	togrog (MNT)
MNT1.00	=	\$0.0004
\$1.00	=	MNT2,565.00

ABBREVIATIONS

CSO	–	civil society organization
TA	–	technical assistance

GLOSSARY

<i>aimag</i>	–	province
<i>soum</i>	–	county

NOTES

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

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INITIAL POVERTY AND SOCIAL ANALYSIS

Country: Mongolia Project Title: Vegetable Production and Irrigated Agriculture

Lending/Financing Modality: Project Loan Department/Division: EARD/EAER

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The project is consistent with Asian Development Bank's country partnership strategy for Mongolia, 2017–2020 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 farmers and reduce poverty. It will support the priorities of the Government of Mongolia's Sustainable Development Vision 2030 and State Policy to improve agricultural productivity through irrigation infrastructure, value chain development, and capacity building. The project will increase farmers' income and livelihood opportunities outside traditional sectors of livestock herding and mining.

B. Poverty Targeting

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

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.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

Mongolia has a total population of 3 million and the poverty incidence has increased because of the economic crisis in recent years (from 21.6% in 2014 to 29.6% in 2016).

Mongolia's vegetable farming sector is characterized by smallholdings, poor irrigation infrastructure, and lack of value chain development. Incomes from vegetable farming are low and livelihood opportunities are limited because of poor irrigation infrastructures and lack of value chain development (production, processing, and marketing).

The project will improve income and livelihoods of farmer through improvement of irrigation infrastructure as well as vegetable production, processing, and marketing.

The transaction 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.

2. Impact channels and expected systemic changes.

Output 1 of the ensuing project will improve the irrigation infrastructure and ensure irrigation water security for farming households. Output 2 will support production, processing, and marketing of vegetable products. Output 3 will improve capacity of farming households, communities, and relevant institutions.

The TA will further assess impact channels and determine social changes or benefits under each project output.

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

The project's due diligence will focus on social, poverty, and gender issues. Social development and gender 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 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

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 equity. Women are involved in vegetable production, processing, and marketing. Women have strong knowledge of local resources and agriculture production. However, women are relatively less actively engaged in community-level decision making process. They need support in capacity building in vegetable value chain (production, processing, and marketing) as well as their increased participation in community-level decision-making (e.g. irrigation management). Gender issues in the project areas will be further investigated and necessary measures for effective gender mainstreaming identified during 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 has a potential to improve women's empowerment in vegetable value chain (production, processing, and marketing) as well as management of irrigation water. The TA will develop a gender action plan comprising gender mainstreaming or empowerment measures to be included in the project design.

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.

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 project preparation. Surveys, meetings, interviews, and other appropriate activities will be conducted to ensure participation of stakeholders in the project design.

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 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 irrigation systems and vegetable value chain activities (production, processing, and marketing).

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 project preparation. CSOs will be engaged during preparation and implementation of the project activities.

Information generation and sharing (H) Consultation (M) Collaboration (L) Partnership

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

Participation of farmer households, including the poor and vulnerable groups, is important in the design and implementation of irrigation systems as well as vegetable value chain activities, such as construction of green houses, collection points, and markets.

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 support irrigation systems and vegetable markets located in public lands (state or community-owned). The vegetable production will be undertaken in existing farm lands owned by respective beneficiary households or communities. Project activities are not expected to require land acquisition involving economic or physical displacement.

2. What action plan is required to address involuntary resettlement as part of the transaction TA 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

No ethnic minority communities that would trigger requirements on Indigenous Peoples under the Asian Development Bank Safeguard Policy Statement (2009) are expected to be affected under the project. This will be further assessed and confirmed during TA implementation.

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

4. What action plan is required to address risks to indigenous peoples as part of the transaction TA 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 (L) Labor retrenchment
 Spread of communicable diseases, including HIV/AIDS Increase in human trafficking Affordability (M)
 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?

These social risks will be assessed and necessary measures will be included in project design.

VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT

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?

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 TA or due diligence?

Social development and gender specialists (international and national) will be part of the TA team. Necessary budgets for survey, field visits, etc. will be included in the TA.

Source: Asian Development Bank.