

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Mongolia	Project Title:	Ulaanbaatar Urban Services and Ger Areas Development Investment Program
Lending/Financing Modality:	MFF	Department/Division:	EARD/EASS

### I. POVERTY ISSUES

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

Mongolia does not have a formal Poverty Reduction Strategy Paper (PRSP), but in February 2008, the Government launched a long-term National Development Strategy (NDS), consistent with achieving the Millennium Development Goals (MDGs), for the period through 2020. The NDS aims to enhance development and progress of Mongolia's people in the medium term (2015), and in the long-term (2015-2020) to eliminate poverty, convert the country into one of the leading countries in the region in terms of human development, and create a knowledge-based economy.<sup>1</sup> The NDS includes urban-related strategies for meeting the (MDGs)—such as, prioritizing urban migration to the *aimag* (province) centers to ease migration pressure on Ulaanbaatar, and the development of urban utilities as provided under the 2004 Mongolia Water Law and Decree 182 which established a new water agency and called for the semi-privatization of the publicly owned water supply and sanitation agencies in the *aimag* centers.

The Ulaanbaatar Urban Services and Ger Areas Development Investment Program (USGP) will contribute to achieving MDG 7—Ensuring Environmental Sustainability and in particular, target 7c—reduce the proportion of people without sustainable access to safe drinking water and basic sanitation. It will aid in poverty reduction by focusing assistance on the most critical sectors for urban development and livelihood improvement which both the government and the public accord the highest priority at present. These are water, sanitation, and improvement of the *ger* areas.

The Project directly supports the government efforts and is linked to ADB's Urban Sector Roadmap for Mongolia. It is also directly linked to the Country Partnership Strategy<sup>2</sup> which reoriented urban sector strategy toward the provision of services vital to the achievement of MDG targets. It is in line with the emphasis on inclusive economic growth in ADB's long-term strategic framework 2008-2020 (Strategy 2020).

#### B. Targeting Classification

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

ADB's Urban Sector Roadmap for Mongolia recommends investment where the potential return is greatest and Ulaanbaatar is singled out as a key target area. The project investments will support *ger* subcenter development for all residents and improve access and mobility in the project areas.

The project areas are focused on urban *ger* areas where the majority of poor in Ulaanbaatar are located. Upgrading the subcenters will improve access to basic services, job opportunities, safety and security for all residents. Anticipated design features include: (i) development of community development mechanisms for participation in community level urban planning and prioritization of investments; (ii) attention to affordability of basic services through in-depth consultation and establishment of mechanisms such as a revolving fund for housing finance, micro-enterprise and livelihood improvement which will allow poorer households to access the improved services; (iii) investment in improved sidewalks and street lighting; and (iv) potential local employment for construction and maintenance operations.

<sup>1</sup> The implementation of the MDGs in Mongolia is set out in accordance with the State Great Khural Resolutions No 25 of 2005 and No 13 of 2008.

<sup>2</sup> The CSP's four expected urban sector outcomes include: (i) improved living conditions for the urban poor, (ii) improved access of the poor to basic services, (iii) better urban environmental conditions, and (iv) improved planning.

### C. Poverty Analysis

1. If the project is classified as TI-H, or if it is policy-based, what type of poverty impact analysis is needed?

Not applicable.

2. What resources are allocated in the PPTA/due diligence?

Five months of international specialists and eleven months of national specialists will be hired under the PPTA.

3. If GI, is there any opportunity for pro-poor design (e.g., social inclusion subcomponents, cross subsidy, pro-poor governance, and pro-poor growth)? Please explain

## II. SOCIAL DEVELOPMENT ISSUES

### A. Initial Social Analysis

Based on existing information:

1. Who are the potential primary beneficiaries of the project? How do the poor and the socially excluded benefit from the project?

The primary beneficiaries of the project will be all residents of the *ger* areas, subcenter public and private services and service providers, utility companies servicing the *ger* areas, local government and Ulaanbaatar Municipal Government.

2. What are the potential needs of beneficiaries in relation to the proposed project?

Improved access, quality and affordability of basic services in subcenter areas.

3. What are the potential constraints in accessing the proposed benefits and services, and how will the project address them?

Potential constraints include affordability of services and prioritization of investments. Affordability will be addressed in the affordability analysis to be undertaken during the PPTA. Preliminary analysis has already been done to begin to set the parameters of what investments might be possible. Prioritization of investments will be addressed through implementation of the community participation mechanisms for participation in urban planning.

### B. Consultation and Participation

1. Indicate the potential initial stakeholders.

Potential initial stakeholders include *ger* area residents, private and public services and services providers in the subcenters, local government, Ulaanbaatar Municipal Government, public utilities (i.e., USUG and heating companies).

2. What type of consultation and participation (C&P) is required during the PPTA or project processing (e.g., workshops, community mobilization, involvement of nongovernment organizations and community-based organizations, etc.)?

The PPTA will conduct a poverty and social analysis and address social safeguards. A socioeconomic survey, affordability survey, stakeholder workshops, focus group discussions and key informant interviews will be conducted during the PPTA.

3. What level of participation is envisaged for project design?

Information sharing     Consultation     Collaborative decision making     Empowerment

During the PPTA, district and *ger* area local government and EA will undertake public consultations and ensure participatory approach to design for the GAP, SAP, and RPs. The PATA social investigation included a survey (including preliminary affordability analysis and access to credit) and focus group discussions which have informed the project concept and anticipated design features. Consultation will include: (i) socio-economic baseline survey of selected components to establish socio-economic profile and needs assessment of potential beneficiaries; (ii) focus group discussions including women and men; and (iii) key informant interviews of various local government agencies, civil society and other organizations in the *ger* areas. During the project implementation, the main stakeholder participation and consultation activities to be undertaken include: (i) publication and dissemination of RPs to area residents summarizing the policies, entitlements, compensation standards and rates, grievance procedures and

resettlement/ land acquisition program, and livelihood improvement measures; and (ii) public notices and community meetings dealing with all aspects of the project, such as notification of employment and training opportunities, land acquisition details, and general information and feedback sessions. A research institution or university will be engaged to carry out independent monitoring on RPs, SAP and GAP implementation ensuring C&P during project implementation.

4. Will a C&P plan be prepared during the project design for project implementation?  Yes  No

C&P plans will be prepared covering the RPs, SAP and GAP, as well as project design and implementation.

**C. Gender and Development Proposed Gender Mainstreaming Category: Effective Gender Mainstreaming**

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project/program?

Poor access to urban basic services has a differential gender impact. Time burdens for daily water collection, sanitation access, mobility constraints, safety and security issues affect women differently than man. Women are expected to benefit most from water services improvements through the reduction in the time and labor burdens of retrieving water from kiosks. Adequate sanitation facilities at the home will ease the burden of women on tasks related to sanitation, health, and hygiene, and will likewise reduce energy expenditures and medical costs on waterborne, vector-borne, and other infectious diseases. Safety and security are big issues in *ger* areas and particularly for women and children. Subcenters are where key transport stations are located. Lighting of these areas, fixing roads and adding proper sidewalks and street lighting are all priorities for women. Enhancement of subcenters and their ability to be drivers of development in *ger* areas will potentially provide new sources of employment, and allow for key services such as supermarkets, entertainment facilities and public space to be initiated, all of which will have beneficial impacts on women's time burdens and opportunities for initiating economic activities outside of the home.

2. Does the proposed project/program have the potential to promote gender equality and/or women's empowerment by improving women's access to and use of opportunities, services, resources, assets, and participation in decision making?  
 Yes  No Please explain.

Gender analysis will be conducted as part of social assessment and gender actions will be incorporated in the design and implementation of the proposed project components. The gender analysis will identify strategies, mechanisms, and components for addressing gender concerns and a gender action plan will be created.

3. Could the proposed project have an adverse impact on women and/or girls or to widen gender inequality?  
 Yes  No Please explain

All beneficiaries will benefit from improved living conditions and access to services without widening gender inequality.

**III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS**

Issue	Nature of Social Issue	Significant/Limited/ No Impact/Not Known	Plan or Other Action Required
<b>Involuntary Resettlement</b>	The investment program will involve land acquisition and physical displacement. Detailed assessment will be conducted during PPTA.	Significant	<input checked="" type="checkbox"/> Resettlement Framework <input checked="" type="checkbox"/> Resettlement Plan
<b>Indigenous Peoples</b>	The components are all focused on mid- <i>ger</i> urban areas of Ulaanbaatar. These areas have been in existence for some time and are very heterogeneous in terms of resident's socioeconomic status. The project investments will benefit all residents. No specific communities of indigenous peoples or groups have been	None	<input checked="" type="checkbox"/> No action

Issue	Nature of Social Issue	Significant/Limited/ No Impact/Not Known	Plan or Other Action Required
	identified in the preliminary scoping. This will be verified in the PPTA.		
<b>Labor</b> <input checked="" type="checkbox"/> Employment Opportunities <input type="checkbox"/> Labor Retrenchment <input checked="" type="checkbox"/> Core Labor Standards	The investment program will generate employment opportunities both directly and indirectly. Core labor standards will be used and included in the assurances.	Limited	<input checked="" type="checkbox"/> Other Action (SAP)
<b>Affordability</b>	Affordability analysis is included in the terms of reference for PPTA consultants.	Significant	<input checked="" type="checkbox"/> Analysis in PPTA
<b>Other Risks and/or Vulnerabilities</b> <input checked="" type="checkbox"/> HIV/AIDS <input type="checkbox"/> Human Trafficking <input type="checkbox"/> Others (conflict, political instability, etc.), please specify	All construction activities will take place in urban ger subcenter areas. It is anticipated that local construction companies and labor will be used. Under the PPTA, the social consultants will investigate the risk of HIV/AIDS and if deemed appropriate, design, as per other projects in EASS, appropriate mitigation actions. Preliminary scoping has not found any such activities in other urban projects currently being conducted.	Limited	<input checked="" type="checkbox"/> Other Action (SAP)

**IV. PPTA/DUE DILIGENCE RESOURCE REQUIREMENT**

1. Do the TOR for the PPTA (or other due diligence) include poverty, social and gender analysis and the relevant specialist/s?  
 Yes
  
2. Are resources (consultants, survey budget, and workshop) allocated for conducting poverty, social and/or gender analysis, and C&P during the PPTA/due diligence?     Yes