SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Mongolia	Program Title:	Mongolia: Fifth Health Sector Project (Emergency Assistance for COVID-19)
Lending/Financing Modality:	Emergency Assistance Loan	Department/ Division:	East Asia Department/ Mongolia Resident Mission

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Poverty targeting: Sustainable Development Goals (SDGs) – The overall project (ongoing project and additional financing) is classified as an SDG TI because it has a direct impact on the non-income dimensions of poverty represented in SDG 3 on good health and well-being.

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

The overall project will contribute to poverty reduction in Mongolia by improving emergency responses for epidemics, hospital services, and drug safety. Hospital emergency services will be improved through better management capacity and capacity building and increase of intensive care units (ICU) in all multifunction referral hospital serving poorest districts of Ulaanbaatar and the country. The ongoing project has helped to develop policies to facilitate investment in the hospital sector, improve drug safety through strengthening drug regulatory functions, investments in drug control laboratory to ensure that drugs and medicines in Mongolia are safer and of improved quality. The overall project will improve governance in the health sector and promote improved information and accountability through the initiation of patient satisfaction surveys and community participation programs. The overall project is in line with the Mongolia Sustainable Development Vision 2030 and the State Policy on Health (2017), which aim at improving the quality of and access to health care services and with the Action Plan of the Government of Mongolia 2016–2020, which seeks to improve access to quality health services, including developing the labor force of the health sector.[a] Also, the additional financing is in line with the National Emergency Response Plan[a] prepared by the government with extensive inputs from the international community, led by the United Nations (UN). The plan's key measures includes the level of quarantine needed, closures of borders, the conduct of surveys of the current situation, training of health personnel on emergency preparedness, the creation of a database on the health conditions of people aged 60 and above, and the improvement of health facilities.

The overall project is fully aligned with the Country Partnership Strategy (2017–2021), which includes strengthening social services to improve the quality of education and health and with Asian Development Bank's (ADB) Operational Plan for Health (2015–2020), to improve the quality of health service infrastructure and improve the efficiency of health systems.[b]

B. Results from the Poverty and Social Analysis during PPTA or Due Diligence

1. Key poverty and social issues. The government estimates that about 20% (over 772,000 persons) of the population are at "high risk". These include elderly (400,000 persons), persons with chronic diseases (350,000 persons), and persons with cancer, undergoing hemodialysis, and immunosuppressive. There is a total of 18,669 hospital beds in Mongolia, of which 2,916 beds (including 633 with intensive care facilities) are dedicated to corona virus disease 2019 (COVID-19) treatment. Poverty is a major cause of ill-health and a barrier to accessing needed health care. Poor health is also an important cause of poverty due to the costs of seeking health care, including out-of-pocket (OOP) expenditures and loss of income due to illness. Almost 50% of Mongolians live in Ulaanbaatar, of which 60% reside in *ger* areas, including Songinohairkhan district, which lack health care services. During 2014–2016, poverty rates increased from 21.6% to 29.6% nationwide, in Ulaanbaatar from 16.4% to 24.8%, and in rural areas, including *soums* from 27.9% to 38%.[c]

High cost of health care. Although over 90% of the population is covered by health insurance and most essential services are free, there are significant gaps in health services coverage and financial protection. The poor use health services 2.5 times less than non-poor. Financial barriers include high user fees, additional charges for drugs and the high cost of transportation. OOP expenses for health services are high (41% of total health expenditure). One-third of household OOP health expenses go to drugs due to medicines not being adequately covered by health insurance and not funded by the state budget for ambulatory patients, high prices and overuse of non-essential medicines.

Non-financial barriers. Non-financial barriers for the poor include migration, and lack of documents and registration among others. While primary health care is accessible to most, the range of services provided is inadequate and the quality is inconsistent. Access to secondary level health care is particularly difficult for the unregistered, the very poor, the elderly, and health facilities are hard to reach for people with disabilities and usually not accessible.

2. Beneficiaries. Primary beneficiaries are (i) the general population covered by the all referral hospitals (3.2 million), which is among the poorest district of the capital city, (ii) women, as they are the majority of users and providers of the health care in Mongolia, and some of the additional hospital services such as obstetrics, gynecology and maternity will benefit women exclusively. In the long term, (iii) the entire population of Ulaanbaatar will benefit from hospital restructuring and health services quality improvement, and (iv) the poor will benefit from drug quality improvement as

they consume drugs of more questionable quality bought through less-formal channels. Potential needs are (i) greater access to health care, especially by the poor and disadvantaged groups; and (ii) improved quality of care to ensure rapid recovery from illness to avoid direct, indirect, and opportunity costs.

3. **Impact channels.**

The overall project will remain technically and economically viable, and financially sustainable with the additional financing component. The safeguards categorization of the overall project will also remain unchanged. The additional financing component will enhance the current project's original design and add effective support for the development of the health sector. The additional financing component will support the achievement of the impact and outcome of the project, as well as ADB's contribution to emergency preparedness in health sector development in Mongolia.

4. Other social and poverty issues. The overall project does not address financial accessibility to health care, which remains an issue despite nearly universal health insurance coverage because of high OOP expenses. Two ADB supported projects are in preparation, which will address the issue of financial access through health care financing reforms.[d] High air pollution level in the winter in Ulaanbaatar affect the population and especially the poor and children resulting in sharp increases of respiratory illnesses. The solution to high pollution levels lies largely outside of the health sector (e.g., central and local governments, industry).

5. Design features. To address the lack of access to quality secondary services for the poor, the population in general, and particularly women, the overall project is establishing a model district hospital (expected to be completed in 2020) in the poorest district of Ulaanbaatar. A road map, which was developed under the project, will support the replication of at least 10 additional general hospital patterned after the model hospital. Improved licensing requirements for hospital (developed under the project) will ensure more rational development of the hospital sector. As the range of services, the medical technology and the skills of the hospital workers will be increased, the poor and women will benefit from services of higher quality. By improving drug regulatory measures and their enforcement, the poor will be able to access medicines of higher quality, and rational drug use activities will lead to reduce medicines consumption and reduce expenses for medicines.

II. PARTICIPATION AND EMPOWERING THE POOR

1. Participatory approaches and project activities. Consultations with key stakeholders (hospital staff, patients, community members) were held in Ulaanbaatar during the original project's preparation**.** In preparing the emergency assistance additional financing, ADB participated in the joint health sector committee lead by the UN Resident Coordinator and the Ministry of Health is coordinating the COVID-19 emergency response actions. The other members include UN special agencies, ADB, the European Commission, the World Bank; embassies with programs in health sector, and nongovernment organizations.

2. **Civil society organizations.** The project has hired a local nongovernment organization which helps in implementing the activities formulated in the participation plan below.

3. The following forms of civil society organization participation are envisaged during program implementation, rated as high (H), medium (M), low (L), or not applicable (NA):

☐ Information gathering and sharing (M) ☒ Consultation (M) ☐ Collaboration ☐ Partnership NA

4. Participation plan.

☐ Yes. ☒ No.

III. GENDER AND DEVELOPMENT

Gender mainstreaming category: Effective gender mainstreaming

A. Key issues. Women are most users and providers of the health care system in Mongolia. Men have lower life expectancy and higher mortality rates than women. Health statistics indicate that women have higher morbidity, but it is likely that this is due to their higher use of health services. Men also have higher suicide rates and are more violent toward their partners, in part due to frustration at not living up to gender expectations. Among women, reproductive health issues put them at risk and data show that unmet need for contraception and abortion need to be addressed in addition to the provision of services related to intimate partner violence. Among men, smoking and drinking are serious concerns on which to focus prevention campaigns and cessation programs. Screening is insufficient for both genders, but more so for men than for women.

B. Key actions. The overall project will improve women's access to improved services (gynecology, obstetrics, maternity), and health staff (about 80% are female) access to capacity building opportunities and decision making. The project will deliver tangible benefits to women by improving their access to health services, providing increased opportunities for capacity building and participation in planning and hospital management, and providing mechanisms for patient feedback and awareness.

☒ Gender action plan ☐ Other actions or measures ☐ No action or measure

The gender action plan mainstreams gender in all three components and includes a gender consultant (6 person-months), capacity building, gender analysis, sex-disaggregation of data, and community awareness activities.

IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

A. Involuntary Resettlement **Safeguard Category:** ☐ A ☐ B ☒ C ☐ FI

1. Key impacts. Project activities will not likely involve land acquisition and any civil work will likely be within project facilities' own compounds or on government owned lands. The proposed site for the new drug storage is known to be government owned land.
2. Strategy to address the impacts. No action required.
3. Plan or other Actions.

☐ Resettlement plan
☐ Resettlement framework
☐ Environmental and social management system arrangement
☒ No action
☐ Combined resettlement and indigenous peoples plan
☐ Combined resettlement framework and indigenous peoples planning framework
☐ Social impact matrix

B. Indigenous Peoples **Safeguard Category:** ☐ A ☐ B ☒ C ☐ FI

1. **Key impacts**. There are several ethnic groups (such as Khalkh, Zakhchin, Uuld, Uriankhai, Kazakh, Myangad, Durvud, etc.) in Mongolia but they are not expected to be vulnerable due to their ethnic background or the project context. The project will not specifically target specific communities or groups as beneficiaries of the project. Neither will any ethnic group be adversely affected by the project.

No impact. Is broad community support triggered? ☐ Yes ☒ No

2. Strategy to address the impacts.
3. Plan or other actions.

☐ Indigenous peoples plan
☐ Indigenous peoples planning framework
☐ Environmental and social management system arrangement
☐ Social impact matrix
☒ No action
☐ Combined resettlement plan and indigenous peoples plan
☐ Combined resettlement framework and indigenous peoples planning framework
☐ Indigenous peoples plan elements integrated in project with a summary
Other - SEMDP

V. ADDRESSING OTHER SOCIAL RISKS

A. Risks in the Labor Market

1. Relevance of the program for the country's or region's or sector's labor market, indicated as high (H), medium (M), and low or not significant (L).

☒ unemployment: L ☐ underemployment: ☐ retrenchment: ☒ core labor standards: M

2. Labor market impact. The contractor's contract will include core labor standards. The loan agreement of the additional financing and the contracts of civil works contractors will include core labor standards and will be monitored accordingly.

B. Affordability

Despite high health insurance coverage access to secondary health services will remain problematic because of high OOP expenses resulting in large health expenditures especially for the poor. Two ADB supported projects are in preparation, which will address the issue of financial access through health care financing reforms.[d]

C. Communicable Diseases and Other Social Risks

1. The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA):

☒ Communicable diseases: (L) ☐ Human trafficking: NA
☐ Others (please specify) _____

2. Risks to people in construction site of the model district hospital. The EMP requires dissemination of information on HIV/AIDS/SDIs at construction sites for all new employees upon engagement. Clauses regarding HIV/AIDS/SDIs are included in ongoing and will be included in future contract bidding documents.

VI. MONITORING AND EVALUATION

1. **Targets and indicators.** The design and monitoring framework include targets and indicators for participation by women (capacity building), identification of gender-specific needs for services and diagnostic requirements, and gender balance in senior hospital management.
2. **Required human resources.** A national social development and gender consultant (6 person-months) is hired under the project. Terms of reference are included in the project administration manual (PAM).
3. **Information in the facility administration manual.** The PAM outlines poverty, social, and gender issues and informs about the monitoring of the design and monitoring framework (DMF), the gender action plan (GAP) and related loan safeguard covenants.
4. **Monitoring tools.** Monitoring tools, as part of the overall project management information system consists of quarterly assessment of DMF indicators and targets, quarterly and annual assessment of the GAP indicators, and the project completion report in accordance with ADB's policies and guidelines.

[a] State Great Khural. 2016. *Mongolia's Sustainable Development Vision 2030*. Ulaanbaatar; Government of Mongolia. 2016. *The State Policy on Health, 2017–2026*. Ulaanbaatar; Government of Mongolia. 2016. *Government Action Plan, 2016–2020*.Ulaanbaatar.
[b] ADB. 2017. *Country Partnership Strategy: Mongolia, 2017–2020—Sustaining Inclusive Growth in a Period of Economic Difficulty*.

Manila; ADB. 2015. *Operational Plan for Health, 2015–2020: Health in Asia and the Pacific—A Focused Approach to Address the Health Needs of ADB Developing Member Countries*. Manila.

[c] National Statistics Office of Mongolia. http://www.en.nso.mn/index.php.

[d] ADB. 2018. *Technical Assistance to Mongolia for Improving Health Care Financing (Strategic Purchaser) for Universal Health Coverage*. Manila; and ADB. 2019. *Report and Recommendation of the President to the Board of Directors: Proposed Multitranche Financing Facility to Mongolia for Improving Access to Health Services for Disadvantaged Groups.* Manila.