Initial Poverty and Social Analysis

September 2018

Mongolia: Improving Access to Health Services for Disadvantaged Groups Investment Program

Asian Development Bank

CURRENCY EQUIVALENTS
(as of 11 July 2018)

Currency unit	–	togrog (MNT)
MNT1.00	=	$0.00041
$1.00	=	MNT2,464.50

ABBREVIATIONS

ADB	–	Asian Development Bank
FHC	–	family health clinic
HIO	–	health insurance organization
MFF	–	multitranche financing facility
MOH	–	Ministry of Health
PHC	–	primary health care
PPP	–	public–private partnership
TA	–	technical assistance

GLOSSARY

aimag	–	province
ger	–	traditional tent
soum	–	*aimag* subdistrict

NOTE

In this report, "$" refers to United States dollars.

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Mongolia	Project Title:	Improving Access to Health Services for Disadvantaged Groups
Lending/Financing Modality:	Multitranche Financing Facility	Department/ Division:	East Asia Department/Urban and Social Sectors Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

Poverty is a major cause of ill-health and a barrier to access health care. Ill-health is an important cause of poverty due to the costs of seeking health care, including out-of-pocket expenditures and loss of income due to illness. The program will contribute to poverty reduction in Mongolia by improving access to quality and affordable primary and secondary health services in Ulaanbaatar *ger* (traditional tent) areas, Khovd *aimag* (province), and selected *aimags* of Mongolia. Accessibility to quality health services will improve through (i) expanding district hospital and FHCs, especially in less developed areas of Ulaanbaatar *ger* areas; (ii) improving planning and management capacity of MOH and the UCHD; (iii) improving the clinical skills, especially of primary health care workers; and (iv) strengthening the purchasing capacity of the HIO resulting in increased financial protection against ill-health for the poor.

The program is in line with the Mongolia Sustainable Development Vision 2030 and with the State Policy on Health 2017–2026. The program is fully aligned with ADB's country partnership strategy for Mongolia, 2017–2020 and ADB's Operational Plan for Health, 2015–2020.

B. Poverty Targeting

☐General intervention ☐Individual or household (TI-H) ☐Geographic (TI-G) ☐Non-income MDGs (TI-M1, M2, etc.) Poverty targeting will be SDG 3 – Good Health and Well-Being

By developing gender-friendly and universally accessible primary and hospital health services in urban and rural areas, the multitranche financing facility will directly address the target of goal 3 of SDG: achieve universal health coverage, including financial risk protection; access to quality essential health care services; and access to safe, effective, quality, and affordable essential medicines and vaccines for all.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

The expected beneficiaries of the program are mostly community members living in *ger* areas of Khovd, Ulaanbaatar, and selected *soums* of Mongolia (120,000 potential beneficiaries for primary care and 300,000 for district hospital services). Almost 50% of Mongolians live in Ulaanbaatar, of which 60% reside in *ger* areas. During 2014–2016, poverty rates increased from 21.6% to 29.6%, in Ulaanbaatar from 16.4% to 24.8%, and in the western region where Khovd is situated from 26.0% to 36.0%, and in rural areas, including *soums* from 27.9% to 38.0%. Mongolia achieved MDG 4 targets for infant and under-5 years old mortality, and MDG 5 targets for maternal mortality. However, regional disparities still exist which are directly linked to poverty, age of the mother, educational level, and location. The health sector requires continuous investments, and as Mongolia develops economically, noncommunicable diseases take precedence over infectious diseases. Increasing urbanization with risk factors, such as alcohol and tobacco consumption, poor diet, and lack of physical exercise, result in high rates of noncommunicable diseases, causing a major challenge to the health care system. Cardiovascular diseases, cancers, injuries, and poisoning represent over 70% of all deaths in Mongolia. Although Mongolia has progressively extended health insurance to nearly universal health coverage, accessibility to health services, especially for the poorer and disadvantaged segments of the population, is still constrained financially due to co-payments, cost of medicines, and indirect costs (e.g., transportation). Mongolia has also established a wide network of health facilities in urban and rural areas (*aimag* centers and *soums*) but quality of services provided is insufficient. At the same time, health services are less dense in disadvantaged areas (e.g., *ger* areas) and are of less quality than in central urban settings.

2. Impact channels and expected systemic changes.

The program will contribute to improving the health status of the poor and disadvantaged by improving access to primary and secondary district health services. Access to secondary health services will result through the establishment of a new district hospital, and the renovation and expansion of a second district hospital and an *aimag* general hospital. The establishment of 10 FHCs, in areas deprived of facilities in Ulaanbaatar and 6 SHCs, will improve access to primary care. Quality of services will be improved through targeted capacity building for MOH and UCHD. Financial accessibility to health services will be improved with the proposed strategic purchaser of health services and strengthening the purchasing capacity of the state HIO, leading to increased financial protection of the insured (most poor and other disadvantaged are insured).

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

The PSA under the ongoing project preparatory TA will identify the health concerns, needs, and priorities of *ger* area communities. It will provide a basis for determining the expanded range of services required in primary care facilities

in Mongolia. The detailed PSA will demonstrate the impact channels and systemic changes by (i) assessing project design features, (ii) understanding the project social context, (iii) assessing project responsiveness to community needs, (iv) assessing the affordability of health care services, (v) maximizing social inclusion, and (vi) addressing potential social risks.

II. GENDER AND DEVELOPMENT

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

Women are most users and providers of the health care system in Mongolia. The program will provide gynecology and obstetrics services. Women's reproductive health use needs such as deliveries and abortions, and related blood transfusions, unmet needs for contraception, and intimate partner violence, puts women at higher risks. Specific measures related to the health sector will be included in the design of the project to minimize these risks. As providers (about 80% of the health workforce but underrepresented as decision makers because only 30% of women are in management positions), women are more exposed to the risk of hospital-acquired infections in general. Hence, the program will include appropriate measures, including protective gear to minimize infectious risks.

Men have lower life expectancy, higher mortality rates, and lower usage of health care services than women. 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. Tobacco smoking and drinking habits are serious concerns of men. The program will include design features that will address some of the specific risks of men's health, which is being further detailed under the TA, including gender-based violence.

2. Does the proposed project or program have the potential to contribute 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

A gender analysis will be conducted as part of the PSA to identify program-related gender gaps and disparities. A social and gender action plan is being prepared under the ongoing TA.

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

☐ Yes ☒ No

4. Indicate the intended gender mainstreaming category:

☐ GEN (gender equity) ☒ 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 general population (particularly the poor and disadvantaged) of the program areas where the new and renovated district hospitals, FHCs, and SHCs will be established. Key stakeholders include (i) local government representatives, social workers, and NGOs active in social sectors; and (ii) health workers and patients of existing (public and private sectors) and future facilities. Representatives of MOH and UCHD will closely interact with the program.

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?

To ensure inclusive development, the program will involve community representatives, particularly women, as well as stakeholders, decision makers, and beneficiaries at all levels and stages of project processing. Planning workshops during project preparation will ensure women's and other key beneficiaries' strong participation.

3. What are the key, active, and relevant civil society organizations (CSOs) in the project area? What is the level of civil society organization participation in the project design?

☒ Information generation and sharing (H) ☒ Consultation (H) ☐ Collaboration ☐ Partnership

Social analysis during the TA will ensure the quality of participation by identifying the constraints that community members must overcome to access health care and participate in defining the health care they require. Relevant local NGOs, community-based organizations, and professional organizations (e.g., Family Health Clinic Association) will be consulted during project preparation. A communication strategy will be prepared.

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how should they be addressed? ☒ Yes ☐ No

The program will ensure participation of the poor and disadvantaged groups in meetings; workshops; focus group discussions; training; and capacity building, policy debate, and advocacy. Program benefits will target the poor. The PSA will also focus on affordability of health care services to ensure access for the poor and vulnerable groups.

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 components under Project1 will not trigger any involuntary resettlement impacts. Construction and/or expansion of the emergency center, district hospital, diagnostic center, four FHCs, and four SHCs will not require additional land. It was reconfirmed during the social due diligence that land certificates have been issued indicating ownership of land by the emergency center, hospital, diagnostic center, and FHCs. For the entire investment program, a resettlement framework is under preparation.

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

Khovd *aimag,* the project area, is inhabited by several ethnic minority groups: Khalk, Kazakh, Durvud, Zakhchin, Uriankhai, Torguud, Uuld, Buriad, Bayad, Khoton, Tuva, Khalimag, and Myangad. The Khazak ethnic groups are of Turkish origin and predominantly Muslims. They speak the Khazak language, while other ethnic groups speak Mongolian dialects and share similar customs, traditions, and systems of production. They are recognized by the government as ethnic groups and treated equally as Mongolian citizens. Each group identifies itself as a distinct ethnic group.

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? ☐ Yes ☒ No

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?

There will be beneficial impacts on all ethnic groups in Khovd and nearby areas in terms of access to the diagnostic center that provides equitable, understandable, and respectful quality care and services which will be addressed in the social and gender action plan. For the entire investment program, an ethnic minority development framework will be prepared. It will guide the screening of impacts on indigenous peoples and the preparation of ethnic minority development plans.

☐ Indigenous peoples plan ☒ Ethnic minority development 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 ☒ Adhering to core labor standards (L) ☐ Labor retrenchment
☒ Spread of communicable diseases, including HIV/AIDS (L) ☐ Increase in human trafficking ☒ Affordability (L)
☐ 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?

Analysis of social risks to identify potential risks that may arise in the program will be conducted, and mitigation measures will be developed under the TA and incorporated in the program design (e.g., awareness raising on communicable diseases, including HIV and AIDS during construction of the district hospital). The affordability of improved services, especially secondary health services, is a concern which will be studied under the TA and addressed through output 3 (strategic purchaser), and relevant measures will be proposed. Labor standards and safety requirements will be applied and monitored during program implementation.

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 (v) 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 transaction TA or due diligence?

A total of 3.5 person-months of international and national consultants are engaged to conduct poverty, gender, and social analysis. Budget for survey and participatory workshops is provided in the cost estimates and financing plan of the TA.

ADB = Asian Development Bank, FHC = family health clinic, HIO = health insurance organization, MDG = Millennium Development Goal, MOH = Ministry of Health, NGO = nongovernment organization, PHC = primary health care, PSA = poverty and social analysis, SDG = sustainable development goal, SHC = *soum* (district) health center, TA = technical assistance, UCHD = Ulaanbaatar City Health Department.

[a] ADB. 2015. *Technical Assistance to Mongolia for Preparing the Improving Access to Health Services for Disadvantaged Groups Project*. Manila.

Source: ADB.