



Initial Poverty and Social Analysis

Project Number: 37697
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Mongolia: Darkhan Wastewater Management Project

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Mongolia	Project Title:	Darkhan Wastewater Management Project
Lending/Financing Modality:	Project Loan	Department/ Division:	EARD/EASS

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The project will support expanded and improved urban sewerage and sanitation.

The project is consistent with the current country partnership strategy for Mongolia, 2012–2016 in its objectives for inclusive and sustainable growth and access to basic urban services.^a The design is in line with the emphasis on inclusive economic growth in ADB's Strategy 2020.^b The project supports ADB's Urban Operational Plan^c with its objectives of inclusive, green, and competitive cities as the project supports, directly and indirectly, urban services considering planned industrial areas in support of the country's strategy of making Darkhan an industrial center. The project will also contribute to the achievement of the MDGs, to which the Government of Mongolia and ADB are committed.

B. Targeting Classification

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

The proposed project supports wastewater management for the entire city of Darkhan benefitting all residents and also industrial areas which promotes job creation in the city.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. Darkhan Uul-Aimag is Mongolia's third largest province with a registered population of 92,000 and an urban population in Darkhan City (Darkhan Soum) of 72,000,^d of which estimated 40% live in ger areas.^e Poverty incidence is significant at 27% city-wide and 44% in ger areas respectively. By 2020, the registered population in Darkhan Soum is estimated to grow to 83,000 with 75% living in formalized and fully serviced residential districts. These industrial and residential developments will cause significant increase in demand for urban services, including piped water supply, resulting in increased wastewater flow. Investment in infrastructure is needed to meet this present and future demand from improved and expanded urban services and to support clustering of new businesses and industries.

The project outputs will be (i) modern wastewater treatment plant through structural renovation and partial on site new construction, and full new equipment installation with a new, efficient treatment process meeting national effluent standards, constructed and operating with a capacity of 16,000 and up to 20,000 cubic meters per day in Darkhan; (ii) improved wastewater collection system with 1,800 meters of replaced sewer pipes, and two structurally renovated, newly equipped pumping stations operating in Darkhan; and (iii) project management and implementation support, institutional capacity development and training in utility management, operation, and service provision, policy dialogue on tariff, sanitation, solid waste management, and public awareness campaigns in Darkhan. Direct beneficiaries of the project are all households in the apartment areas (12,153 households) and public and private entities working in Darkhan City (1,699 entities). The total number of the project's indirect beneficiaries is expected to exceed 80,000 people, as well as industries and businesses in Darkhan.

2. Impact channels and expected systemic changes. The project is designed to (i) improve wastewater treatment and management for domestic and industrial users in Darkhan City, and (ii) create direct short-term employment for construction and indirect long-term income generating opportunities, including industrial development in Darkhan. The project will benefit the poor and vulnerable households by improving their health conditions and reducing health care expenditure due to illness caused by poor water quality and unsanitary environment conditions.

3. Focus of (and resources allocated in) the PPTA or due diligence. The TA consultant has conducted a poverty and social analysis and address social safeguards. A socioeconomic survey and poverty assessment, stakeholder workshops, focus group discussions, and key informant interviews have also been conducted. One of the objectives of the study is the affordability of improved wastewater services.

4. Specific analysis for policy-based lending. Not applicable.

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?

The project benefits men and women equally, including improved housing conditions and living environment, health benefits, and job creation. The project will have some added benefits for women, as adequate sanitation facilities at the home will ease the burden of women on tasks related to sanitation, health, and hygiene and will likewise reduce medical costs on waterborne and other infectious diseases.

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 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. Meaningful and strategic target and indicators will be prepared and incorporated in the design and monitoring framework.

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

Yes No The project will equally benefit women and girls.

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.

Consultations with key stakeholders will be held during project processing and implementation. These include focus group discussions with residents, staff, and management who are involved in the community and with utility service operations.

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?

During TA implementation, public consultations will be held to design the resettlement plan with active participation of women, poor, and vulnerable population. The project will ensure that poor and disadvantaged population will participate also in consultations on tariff reform to ensure service charges are at affordable levels.

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 (L) Consultation (L) Collaboration 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

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 Only minimal land acquisition of approximately 2,700 square meters of industrial land is required and no resettlement is necessary, only temporary displacement of small, informal shops along the road where sewers will be replaced. Shop owners will be able to re-establish their businesses after completion of civil works. A resettlement plan has been prepared.

2. What action plan is required to address involuntary resettlement as part of the PPTA 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 16.9% of the city's residents belong to ethnic minority groups, and they are well integrated into the society and recognized as its full members. Thus, the project is not expected to have impacts on indigenous peoples or ethnic minorities. All local residents, including ethnic minorities, will benefit from the urban infrastructure improvement of the water supply and sanitation systems under the project.

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

Adverse impacts on indigenous peoples are not expected.

4. What action plan is required to address risks to indigenous peoples as part of the PPTA 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 (L)
 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?

The project will create employment opportunities during construction and operation. The use of core labor standards will be included in the assurances, and monitored during implementation.

HIV/AIDS clauses will be included in the bidding documents, and awareness and prevention activities will be conducted during project implementation and included in assurances, and monitored during implementation.

The TA consultant, with the executing agency and implementing agency, has conducted an affordability analysis and will develop a subsidy system to address the needs of poor population/ vulnerable groups.

VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the terms of reference for the PPTA (or other due diligence) contain key information needed to be gathered during PPTA 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 PPTA or due diligence?

TA consultant inputs of 2 person-months of a poverty social and gender specialist and 1 person-month of a resettlement specialist have been engaged.

ADB = Asian Development Bank, MDGs = Millennium Development Goals, PPTA = project preparatory technical assistance, TA = technical assistance.

^a ADB. 2012. *Country Partnership Strategy: Mongolia, 2012–2016*. Manila.

^b ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank 2008–2020*. Manila.

^c ADB. 2013. ADB's Urban Operational Plan. Manila.

^d An additional transient population accounts for approximately 8,000 and therefore the respective number increased from 92,000 to 100,000 and from 72,000 to 80,000 for in Darkhan Uul-Aimag and Darkhan Soum respectively.

^e Based on Darkhan Land Administration Office estimates.