



Initial Poverty and Social Assessment

Project Number: 39265
August 2007

MON: Western Regional Road Corridor Development Project-Phase I

An initial poverty and social assessment (IPSA) is prepared in the early stage of the project cycle to assess the significance of social issues for a project. In accordance with ADB's public communications policy (PCP, 2005), the IPSA is disclosed upon completion. The final summary social assessment is included as an appendix to the project's report and recommendation of the President.

Asian Development Bank

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country/Project Title:	Mongolia: Western Regional Road Development		
Lending/Financing Modality:	Project Loan	Department/ Division:	East Asia Department/ Transport Division
I. POVERTY ANALYSIS AND STRATEGY			
A. Linkages to the National Poverty Reduction Strategy and Country Partnership Strategy			
In the Economic Growth Support and Poverty Reduction Strategy issued in 2003, the Government of Mongolia emphasizes road network development because roads play a significant role in accelerating economic growth and alleviating of poverty. In the Country Strategy and Program for 2006–2008, road development is identified as important for regional market integration and facilitating the movement of people, goods, and services which leads to economic development and poverty reduction.			
B1. Poverty Analysis		Poverty Classification: General Intervention	
According to the national household survey, HIES-LSMS 2002–2003, 36% of Mongolia's population lived below poverty line and 51% in the western region. People whose monthly consumption expenditure is below the poverty line of Tg20,200 in Bayan-Olgii and Hovd total 53% and 46% of the population respectively. According to the social survey of the project area, all aimags ranked the rehabilitation of international and local access roads as a top priority in their development agenda. Due to the proximity to the People's Republic of China and Russia, Bayan-Olgii and Hovd aimags import about 75% of their energy, food, consumer goods and construction materials from the two countries. The Project will greatly contribute to improved linkages to markets in the People's Republic of China, Russia, and Kazakhstan through Russia and improved access to industrial and tourism employment opportunities and social services. The Project will lead to lower transport costs, better access to deliver essential goods from neighboring economies to local communities, and employment opportunities during construction. Common issues in the area related to poverty are:			
<p>1. High Unemployment. Lack of job opportunities in the region is one of the main issues. In the Western region the unemployment rate is higher than the rest of the regions. In 2004, the unemployment rate was 3.6% in the country whereas in the Western region it was 5.3%. There is no significant industry to boost the regional economy at this moment.</p> <p>2. Poor Medical Facilities. Every soum has trained medical assistants and primary health care centers with minimal facilities. However, problems still remains since there is a lack of modern facilities for special treatment at clinics and hospitals, nurses and doctors have not been fully trained in modern treatment techniques, and there are higher costs for medical treatment for poor households in the region.</p> <p>3. Unsecured Drinking Water Resource. 12.8% of the total households in Bayan-Olgii Aimag and by contrast 94.5% of the total households in Hovd Aimag are able to get water from the water distribution stations, and the rest use water from natural (unprotected) sources such as springs, rivers and lakes.</p>			
II. SOCIAL ANALYSIS AND STRATEGY			
A. Strategy to Address Social Issues			
<p>1. Create Local Job Opportunity. The implementing agency will require contractors to maximize hiring labor under the Project. About 2,300 unskilled construction jobs will be generated by the Project. One-half, or 1,135 jobs, will be targeted for poor households. In addition, a separate community-based local road and maintenance project funded by Japan Fund for Poverty Reduction will be implemented to further generate local employment.</p> <p>2. Better Medical Facilities and Drinking Water Resource. \$150,000 is allocated under the Project for community development activities in the project area to respond to social needs such as drinking water development, public baths, vocational training, and equipment for community based enterprises.</p>			
B1. Consultation and Participation			
<p>1. Provide a summary of the consultation and participation process during the project preparation. Over 6,200 people were consulted during the project preparation through public meetings and socioeconomic surveys. Various stakeholders participated in consultation process such as central and local government officials, environmental experts, social workers, teachers, doctors, herdsman, business persons, and road users. Active participation from women in public meetings was confirmed during the fact finding mission. These processes have enabled (i) raising the level of awareness and gaining local support, (ii) expression of opinions and concerns on social and environmental aspects, (iii) relevant suggestions for Western regional and local road designs (e.g., road alignments and access roads) and future road projects, and (vi) identify potential community development projects.</p> <p>2. What level of consultation and participation (C&P) is envisaged during the project implementation and monitoring? <input checked="" type="checkbox"/> Information sharing <input checked="" type="checkbox"/> Consultation <input type="checkbox"/> Collaboration <input type="checkbox"/> Empowerment</p> <p>3. Was a C&P plan prepared? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If a C&P plan was prepared, describe key features and resources provided to implement the plan (including budget, consultant input, etc.). If no, explain why.</p> <p>The participatory activities are an on-going process that will continue during project implementation.</p>			

B2. Gender and Development
1. Key Issues. Women in the Western aimags do not experience gender problems in terms of women rights and access to education, health and other services.
2. Key Actions. Measures included in the design to promote equality between men's and women's/girls' access to and use of relevant services, resources, assets, or opportunities: <input type="checkbox"/> Gender plan <input type="checkbox"/> Other actions/measures <input checked="" type="checkbox"/> No action/measure

C. Social Safeguard Issues and Other Social Risks			
Issue	Significant/Limited/No Impact	Strategy to Address Issue	Plan or Other Measures Included in Design
<u>Involuntary Resettlement</u>	No impact. None of the households will lose land, houses, agricultural plots, crops, trees, fixed assets, business, incomes and livelihoods, and access to facilities, services, or natural resources.		<input type="checkbox"/> Full Plan <input type="checkbox"/> Short Plan <input type="checkbox"/> Resettlement Framework <input checked="" type="checkbox"/> No Action
<u>Indigenous Peoples</u>	No Impact. There are not adverse impacts or significant changes to their livelihoods or culture are anticipated.	To extend positive impacts to local communities, (i) \$150,000 has been allocated for community development activities under the Project and (ii) community-based local road upgrading and maintenance is being developed under Japan Fund for Poverty Reduction.	<input type="checkbox"/> Plan <input checked="" type="checkbox"/> Other Action <input type="checkbox"/> Indigenous Peoples Framework <input type="checkbox"/> No Action
Labor <input checked="" type="checkbox"/> Employment opportunities <input type="checkbox"/> Labor retrenchment <input type="checkbox"/> Core labor standards	Significant. About unskilled 2,300 construction jobs will be generated by the Project. The Project will hire unskilled labor, with the provision of skill training, from the project area for road construction.	A specific loan assurance will be proposed to ensure local employment under the Project.	<input type="checkbox"/> Plan <input checked="" type="checkbox"/> Other Action <input type="checkbox"/> No Action
Affordability	No Impact. No tolls will be charged on the improved road.		<input type="checkbox"/> Action <input checked="" type="checkbox"/> No Action
Other Risks and/or Vulnerabilities <input checked="" type="checkbox"/> HIV/AIDS ¹ <input type="checkbox"/> Human trafficking <input type="checkbox"/> Others, pls. specify	Limited. Although Mongolia still has low prevalence of HIV/AIDS, there is a risk of spread in the project area during the road construction period due to increased number of workers.	Awareness raising and monitoring activities will be carried out by a national expert. A specific loan assurance will be proposed.	<input type="checkbox"/> Plan <input checked="" type="checkbox"/> Other Action <input type="checkbox"/> No Action

D. Monitoring and Evaluation
Are social indicators included in the design and monitoring framework to facilitate monitoring of social development activities and/or social impacts during project/program implementation? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No During construction: (i) number of locals employed by gender and poor households, (ii) implementation of HIV/AIDS/STI and communicable disease program, and (iii) activities funded under community development component. Following construction: (i) increases in regional gross domestic product and per capita incomes, (ii) number of poor households reduced, and (iii) traffic increases along the road.

¹ AIDS = acquired immunodeficiency syndrome, HIV = human immunodeficiency virus, STI = sexually transmitted infections.