

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY FOR TRANCHE 3

Country:	Mongolia	Project Title:	Ulaanbaatar Urban Services and Ger Areas Development Investment Program (Tranche 3)
Lending/Financing Modality:	Multitranche Financing Facility	Department/ Division:	East Asia Department/Urban and Social Sectors Division

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Targeted intervention on SDG 11: Make cities and human settlements inclusive, safe, resilient, and sustainable

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

Tranche 3 of the Ulaanbaatar Urban Services and Ger Areas Development Investment Program will improve the living conditions of the people in Sharkhad and Tolgoit *ger* subcenters through its investment in urban infrastructure and economic and social facilities. The program is fully aligned and contributes to the implementation of Ulaanbaatar City Master Plan 2030, Mongolia Sustainable Development Vision 2030, and ADB's country partnership strategy for Mongolia, 2017–2020.

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

1. Key poverty and social issues. In 2018, 28.4% of the Mongolian population lived below the national poverty line—a decrease by 1.2 percentage points from the poverty rate of 29.6% in 2016. In 2018, the poverty depth amounted to 7.2% representing a decrease of 0.5 percentage points from 2016 level, and poverty severity amounted to 2.7%, decreased from 2.9% in 2016. Comparison of the livelihood standards in urban and rural areas showed that poverty has increased more in rural areas than in urban areas. The share of the poor in urban areas had increased from 62.1% in 2016 to 63.5% in 2018, and more than 40% of the poor lived in Ulaanbaatar in 2018. The same pattern also appears between the city center and peripheral (*ger*) areas within the major cities including Ulaanbaatar. Non-income poverty (in terms of access to socioeconomic infrastructure and social services such as heating, water, and electricity) is more prominent in *ger* areas in the city. About 60% of Ulaanbaatar's population live in unplanned and underserved informal settlement without water or sewerage connection and highly polluted environment with limited access to social facilities and limited employment opportunities. The project is expected to improve access and availability of the social facilities for the targeted communities in Sharkhad and Tolgoit subcenters and is expected to reduce the gap in income and living standards between the center (city center) and peripheral (*ger*) in the city of Ulaanbaatar.

2. Beneficiaries. The overall program will benefit about 200,000 persons with improved access to water supply and sewerage, roads, heating services, community development centers, kindergarten facilities, training centers, urban parks, primary health care center, and sports complex. This includes 15,799 direct beneficiaries current residents living in the two subcenters targeted by Tranche 3 investments, including 480 children from two kindergartens; 1,715 residents for the primary health care center; 1,200 residents from community development center (only training facilities); and 1,200 residents from the training centers annually from each social facility. Upon the completion of heating, water, and sewage systems, a total of 8,577 residents will benefit through secondary connections.

3. Impact channels. The direct impact of the project will be (i) improved access to basic municipal services, (ii) improved access to expanded social facilities and support programs, (iii) increased employment and job opportunities with skills training, and (iv) strengthened community awareness and participation. The indirect impact of the project will be improved economic and social opportunities in the revitalized urban *ger* areas.

4. Other social and poverty issues. Issues regarding the civil registration and land and immovable property registration will be managed by the District Land Department during project implementation.

5. Design features. The project design responds to issues raised by the PSA. Key design features include (i) creating job opportunities for the poor and women during project construction and operation; (ii) providing skills improvement and business development opportunities through construction of training centers; and (iii) ensuring a comprehensive information, education, and communication campaign, along with other activities set out in the program's consultation, participation, and communication strategies. The actions in the CAP, GAP, and SDAP will mitigate adverse impacts and increase positive impacts of the project.

C. Poverty Impact Analysis for Policy-Based Lending. Not applicable.

II. PARTICIPATION AND EMPOWERING THE POOR

1. Participatory approaches and the proposed project activities. Extensive consultation has been done to obtain all required data for feasibility study through quantitative and qualitative interviews, i.e., 4,500 households for socioeconomic survey; 724 households for willingness-to-pay survey; 485 residents for land acquisition and resettlement; 323 residents for initial environmental examination; and 237 community members for focus group discussions, including school boys and girls, and project stakeholders from various municipal departments and agencies.

<p>2. The following forms of civil society organization participation are envisaged during project implementation, rated as high (H), medium (M), low (L), or not applicable (NA):</p> <p><input checked="" type="checkbox"/> Information gathering and sharing (H) <input checked="" type="checkbox"/> Consultation (H) <input checked="" type="checkbox"/> Collaboration (M) <input type="checkbox"/> Partnership</p> <p>3. Participation plan.</p> <p><input checked="" type="checkbox"/> Yes. <input type="checkbox"/> No. The CAP, SDAP, and SME development plans for Tranche 3 have been prepared and aim to ensure inclusion of views from a range of interested parties in developing and reviewing respective designs, plans, and activities; and help in the resolution of complex issues, gain consensus and support from stakeholders, reduce problems in implementation, improve project design, and increase impacts. The cost for the plans' implementation will be included in the project management cost.</p>									
<p>III. GENDER AND DEVELOPMENT</p>									
<p>Gender mainstreaming category: <i>Effective gender mainstreaming</i></p>									
<p>A. Key issues. Similar to Tranches 1 and 2, the PSA-identified key gender issues of Tranche 3 are safety of girls and women in public space and domestic violence, due to insufficient prevention and response services to tackle gender-based violence in community level and poor gender-sensitive infrastructure and programming. According to the National Statistics Office and National Center Against Domestic Violence joint research report in 2017, 57.9% of women experienced psychical, psychological, and sexual abuse in their lifetime. In addition, women respondents of the focus group discussions for PSA highlighted that <i>ger</i> area girls and women are often exposed to harassment when walking in <i>ger</i> areas, using public spaces within their neighbourhood and also cited the instances where men of different age groups were staring at them, pushing, touching, and following them from bus stops. Another challenge faced by the women in <i>ger</i> areas is high unemployment rate. Furthermore, in 2018, unemployment rate among women aged 15–24 years is 22.3% while men in the same age group was 14.3% as result of insufficient skills and employment opportunities. The project will provide skills training and income-generating, as well as entrepreneurship, opportunities to those women.</p>									
<p>B. Key actions. The GAP (i) incorporates gender-sensitive actions in the design and operations of urban infrastructure and social facilities including roads, community development center, sports complex, kindergartens, primary health care center, and green public spaces; (ii) strengthens response and prevention service of domestic violence and gender-based violence through at least two capacity building activities of five multidisciplinary teams which are frontline service providers; (iii) increases community and service providers knowledge on gender inequality and safety of girls and women through at least 10 public awareness raising events in each subcenters, with at least 70% female participation; (iv) strengthens roles of women in all levels of decision-making process through empowerment and leadership in community-based organizations; and (v) proactively support the prevention of sexual harassment, exploitation, and abuse.</p> <p><input checked="" type="checkbox"/> Gender action plan <input type="checkbox"/> Other actions or measures <input type="checkbox"/> No action or measure</p>									
<p>IV. ADDRESSING SOCIAL SAFEGUARD ISSUES</p>									
<p>A. Involuntary Resettlement Safeguard Category: <input checked="" type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Key impacts. A total of 846 land parcels will be affected with an affected land area of 297,740 square meters, of which 474 land parcels will be fully affected. A total of 1,350 households would be affected and includes 1,324 residential households and 26 business entities; 1,270 of the 1,350 affected households will experience major impacts. The number of affected persons is estimated to be 5,170, and includes 252 workers in the business and livelihood activities likely to be impacted.</p> <p>2. Strategy to address the impacts. The land acquisition and resettlement plan will be updated upon completion of the detailed designs and will include efforts to minimize resettlement impacts. A social housing facility with 50 units will be developed for relocation of affected households without land rights. Implementation of the land acquisition and resettlement plan, consistent with the requirements of the resettlement framework, continued functioning of the grievance mechanism, stakeholder engagement and disclosure of information, and monitoring of the resettlement implementation, will ensure that the impacts are addressed in a timely manner to the satisfaction of the affected persons.</p> <p>3. Plan or other Actions.</p> <table border="0" style="width: 100%;"> <tr> <td><input checked="" type="checkbox"/> Resettlement plan</td> <td><input type="checkbox"/> Combined resettlement and indigenous peoples plan</td> </tr> <tr> <td><input checked="" type="checkbox"/> Resettlement framework</td> <td><input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework</td> </tr> <tr> <td><input type="checkbox"/> Environmental and social management system arrangement</td> <td><input type="checkbox"/> Social impact matrix</td> </tr> <tr> <td><input type="checkbox"/> No action</td> <td></td> </tr> </table>		<input checked="" type="checkbox"/> Resettlement plan	<input type="checkbox"/> Combined resettlement and indigenous peoples plan	<input checked="" type="checkbox"/> Resettlement framework	<input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework	<input type="checkbox"/> Environmental and social management system arrangement	<input type="checkbox"/> Social impact matrix	<input type="checkbox"/> No action	
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<p>B. Indigenous Peoples Safeguard Category: <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Key impacts. None. Is broad community support triggered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>2. Strategy to address the impacts. Not applicable.</p>									

3. Plan or other actions. <input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> Social impact matrix <input checked="" type="checkbox"/> No action		<input type="checkbox"/> Combined resettlement plan and indigenous peoples plan <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework <input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary
V. ADDRESSING OTHER SOCIAL RISKS		
A. Risks in the Labor Market 1. Relevance of the project for the country's or region's or sector's labor market, indicated as high (H), medium (M), and low or not significant (L). <input checked="" type="checkbox"/> unemployment (L) <input checked="" type="checkbox"/> underemployment (L) <input type="checkbox"/> retrenchment <input checked="" type="checkbox"/> core labor standards (M) 2. Labor market impact. The project implementation will promote local labor market through both short-term and long-term employment. During construction, 180 skilled and 547 unskilled jobs (of which 8% are women) will be generated. At operational stage, 205 jobs (of which 78% are women), will be created for the social facilities. Through the SME intervention, 177 jobs will be created and 630 people will be trained.		
B. Affordability. The affordability analysis indicates that the proposed combined tariffs in Ulaanbaatar city for water supply and sewerage services are \$0.48 per cubic meter. Willingness-to-pay surveys are almost similar to \$0.48 per cubic meter in Sharkhad and Tolgoit project areas. The residents of Sharkhad and Tolgoit are willing to pay monthly service fees of MNT26,229.50 (\$9.85) and MNT25,377.60 (\$9.50) per month for improved heating services. The cost for the heating services estimated by using the Ulaanbaatar city standard tariff is higher than the willingness-to-pay for heating services in the project areas. But according to the willingness-to-pay surveys, the average cost for coal consumption of a household per month in each project area are \$68 and \$111, respectively. Therefore, the household monthly heating expenditure calculated by the Ulaanbaatar city proposed tariff is much lower than current coal consumption expenditure per month.		
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): <input checked="" type="checkbox"/> Communicable diseases (M) <input checked="" type="checkbox"/> Human trafficking (L) <input type="checkbox"/> Others (please specify) _____ 2. Risks of the project on people in project area. Specific measures will be taken for prevention of HIV/AIDS, STI, sexual harassment, and GBV through behavior change communication campaign, training for construction workers, and strengthening community-level multidisciplinary teams.		
VI. MONITORING AND EVALUATION		
1. Targets and indicators: Specific targets and indicators are set to ensure community participation, consultation, empowerment, monitoring, gender-inclusive design features, and sex-disaggregated data collection for inclusive social development, including installation of 10 closed circuit television cameras and construction of 16.62 kilometers well-lit roads. During construction, 180 skilled and 547 unskilled jobs (of which 8% are women) will be generated; for operational stage, 205 jobs (of which 78% for women) will be created for the social facilities. Two awareness raising public events will be organized. 2. Required human resources: Social safeguard and gender intervention requires dedicated staff in both PMO and consultancy service. PMO will have full-time social development and gender specialist and a community engagement specialist. Community engagement will require 15 person-months of national consulting services; social safeguard and gender actions will require 4 person-months of international and 26 person-months of national consulting services; and SME actions will require 15 person-months of national consulting services. 3. Information in FAM: Indicators and targets of social and gender intervention will be included in the project's design and monitoring framework and in the FAM. 4. Monitoring tools: Implementation progress of the GAP, SDAP, and CAP will be measured and reported semiannually and during ADB review missions.		

ADB = Asian Development Bank, CAP = community action plan, FAM = facility administration manual, GAP = gender action plan, GBV = gender-based violence, PMO = program management office, PSA = poverty and social analysis, SDAP = social development action plan, SDG = Sustainable Development Goal, SMEs = small- and medium-sized enterprises, STI = sexually transmitted infection.

^a State Great Khural (Parliament) of Mongolia. 2013. *Adjustments to the Ulaanbaatar City Urban Development Master Plan 2020 and Development Directions 2030*. Ulaanbaatar; State Great Khural. 2019. *Mongolia Sustainable Development Vision 2030*. Ulaanbaatar; and ADB. 2017. *Country Partnership Strategy: Mongolia, 2017–2020*. Manila.

Source: ADB.