

Indigenous Peoples Planning Framework: Ethnic Minorities Planning Framework

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Mongolia: Additional Financing of Agriculture and Rural Development Project

Prepared by the Government of Mongolia for the Asian Development Bank.

CURRENCY EQUIVALENTS

(as of 20 September 2012)

Currency unit	=	togrog (MNT)
MNT1.00	=	\$0.00071
\$1.00	=	MNT1,400.00

ABBREVIATIONS

ADB	Asian Development Bank
ARDP	Agriculture and Rural Development Project
EMDP	Ethnic Minorities Development Plan
EMPF	Ethnic Minorities Planning Framework
NGO	non-government organization
PMU	project management unit
PPB	project participating bank
PPE	project participating enterprise
SIA	social impact assessment
SPS	Safeguard Policy Statement

NOTES

- (i) The fiscal year (FY) of the Government of Mongolia ends on 31 December.
- (ii) In this report, "\$" refers to US dollars.

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ETHNIC MINORITIES PLANNING FRAMEWORK

A. Background and Context

1. Additional financing is required to scale up the Agriculture and Rural Development Project (ARDP), which has been evaluated to be performing well. The remaining ARDP implementation period goes until March 2013, however, this has been deemed too short to improve technical capacity of the enterprises to the level required by international brands. Building on the achievements of the ARDP, the additional financing will provide additional time and resources to improve value chains of identified Mongolian agribusiness enterprises in order that they may deliver higher value products, achieve international competitiveness, and establish brand partnership with international brands. The project's design and implementation arrangements will by and large remain the same and will be implemented countrywide, the same as for the original project and also in other sectors where potential enterprises may be identified and selected to participate in the project.

2. Selected project participating enterprises (PPEs) will be assisted in developing value chain investment proposals and provided with loans for those proposals through project participating banks (PPBs). The project will assist the selected PPEs in planning vertical integration in their respective value chain proposals and provide their raw material suppliers (i.e., farmers and herders) with capacity development and necessary equipment and materials for improving material productivity and quality. The project will also assist selected agro-processing enterprises in developing capacity to successfully compete in international higher-end markets by improving marketing skills and strategies thereby meeting premium quality product requirements. Selected PPEs will be located in different provinces depending on the locations of the PPEs and their raw materials producers. Under the original project, nine of the PPEs were located in Ulaanbaatar, Darkhan, and Erdenet cities while three more were located in the central and western part of Mongolia. In addition, suppliers of selected PPEs are located mostly in the eastern, western, and central part of Mongolia.

3. For the additional financing, ADB will provide a loan of \$20 million from the Asian Development Fund. The government will contribute \$5 million as counterpart financing while the PPEs will provide an additional \$3.95 million of their own funds.

4. About 95.0% of the country's population consists of Mongolian ethnic groups, who are descendants of Mongolian tribes, while the remaining are ethnic minorities of Turkic origin. The main Mongolian ethnic group is Khalkha, spread all over the territory of the country and makes up about 82.4% of the population. Except for the Kazakh ethnic group (Turkic origin) residing in the western part of Mongolia, all ethnic groups speak different dialects of Mongolian language. Cultural exchange between different Mongolian tribes and ethnic groups, despite their nomadic lifestyle and history of the country, has contributed to the homogeneity of the country.

5. Most of Mongolia's ethnic groups share similar customs, traditions, and systems of production as the Khalkha, except for the predominantly Muslim and linguistically differentiated Kazakhs in western Mongolia (Bayan-Ölgii aimag) and traditionally nomadic reindeer-herding Tsaatan peoples in Hovsgol aimag.

6. This ethnic minorities planning framework (EMPF) is prepared in accordance with ADB's Safeguard Policy Statement (SPS, 2009) and Safeguard Requirements 3: Indigenous Peoples (SPS Appendix 3). The EMPF is aimed to guide the preparation of future subprojects which may affect any ethnic minorities.

B. Ethnic Minorities-related Legislation

7. Mongolia has no specific law related to ethnic minority concerns and issues. The rights of ethnic minorities are guaranteed by the Constitution of Mongolia which states: “no person may be discriminated on the basis of ethnic origin, language, race, age, sex, social origin or status, poverty, occupation or post, religion, opinion or education” (Article 14.2). A few laws of Mongolia such as Labor Law (Article 7.1), Criminal Code (Article 5.1), for example, guarantee equality among ethnic groups. The Government has given special attention and support to the Tsaatan people because they are small and vulnerable group that maintains traditional customs.

C. Policy Framework

8. This EMPF is intended to guide the preparation of the project under additional financing and future subprojects in the event of any positive and/or adverse impacts on ethnic minorities. The EMPF presents the policy and procedures for the preparation of an ethnic minorities development plan (EMDP) in accordance with the ADB's SPS Safeguard Requirement 3 on IPs (June 2009).

9. Based on the preliminary assessments, the project is classified as category C for indigenous peoples/ethnic minorities. The need for an EMDP will depend on the nature and scale of project impacts and sensitivity of ethnic minorities' issues. An initial poverty and social assessment will be prepared for every subproject, which also determines whether ADB's indigenous peoples policy requirement will be triggered. ADB's SPS SR 3 states that “the Indigenous Peoples safeguards are triggered if a project directly or indirectly affects the dignity, human rights, livelihood systems, or culture of Indigenous Peoples or affects the territories or natural or cultural resources that Indigenous Peoples own, use, occupy, or claim as their ancestral domain” (SPS, page 56). An indigenous peoples categorization checklist to be used in the screening exercise during the project preparation stage is provided (Appendix 1). Initially, ethnic minorities, if any, will be identified following precedents set by other projects or other donors, and using the standards set forth in ADB's SPS SR3: “For operational purposes, the term Indigenous Peoples is used in a generic sense to refer to a distinct, vulnerable, social and cultural group possessing the following characteristics in varying degrees: (i) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (ii) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; (iii) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and (iv) a distinct language, often different from the official language of the country or region” (idem).

10. This EMPF is based on the overall national development strategies and ADB's policy requirements on indigenous peoples/ethnic minorities as set out in the SPS (2009). The principal objectives are to design and implement projects that foster full respect for indigenous peoples' identity, dignity, human rights, livelihood systems, and cultural uniqueness as defined by the indigenous peoples/ethnic minorities themselves. This is undertaken to avoid adverse impacts as a result of the project, and to ensure they can participate actively in project interventions that affect them. For any subproject with anticipated adverse impacts, the design should be reconsidered to avoid these impacts. For subprojects with limited impact, involving indigenous peoples/ethnic minorities in the development of appropriate mitigation measures will provide opportunities for positively engaging these groups so that these measures are compatible with project implementation, and benefits generated are accrued by them in a culturally appropriate way. The EMDP will set out the measures whereby the borrower and/or client will ensure that (i)

affected ethnic minorities receives culturally appropriate social and economic benefits; and (ii) that when potential adverse impacts on ethnic minorities are identified, these will be avoided to the maximum extent possible. Where this avoidance is proven to be impossible, based on meaningful consultation with ethnic minority communities, the EMDP will outline measures to minimize, mitigate, and compensate for the adverse impacts. The level of detail and comprehensiveness of the EMDP will vary depending on the specific subproject and the nature of impacts to be addressed.

D. Procedures for Ethnic Minorities Plan Preparation

11. The initial screening and/or checklist for impacts on indigenous peoples (Appendix 1) will be conducted by selected PPBs with assistance of the project's social and gender specialist as part of subproject preparation for the approval. The project management unit (PMU) will review the screening. On the basis of this screening and/or checklist, each subproject will be categorized. If the subproject is categorized as A or B, an EMDP will need to be prepared. If the subproject is categorized as C, it will not require any action for this subproject. Screening forms and categorization results will be submitted to ADB for review and approval of categorization prior to subproject approval.

12. An EMP will be prepared as follows:

- (i) Screen potential impacts of project activities on the ethnic minorities;
- (ii) Conduct field-based social impact assessment (SIA) following guidelines for EMDP outline [See annex to Appendix 3, ADB's SPS, Safeguard Requirement 3 (2009)];
- (iii) Undertake meaningful consultation with the affected ethnic minorities and provide the opportunity to the ethnic minorities to participate in the selection of technically and economically feasible alternatives;
- (iv) Prepare beneficial, mitigation, and capacity development measures based on the SIA results, particularly targeting vulnerable ethnic minorities;
- (v) Establish grievance and redress mechanism for the ethnic minorities;
- (vi) Prepare appropriate budget and mechanism for implementing, monitoring, reporting, and evaluation of the EMDP; and
- (vii) Prepare and disclose an EMDP, including documentation of the consultation process in accordance with the EMPF and ADB's SPS, Safeguard Requirement 3 (2009).

13. In the case of new subprojects with impacts on ethnic minorities, a satisfactory EMDP will be prepared, disclosed to affected persons and posted on ADB website prior the appraisal of the respective project financing requests. The EMDP policy and measures must comply with ADB's SPS Safeguard Requirement 3 on Indigenous Peoples (2009) and approved EMPF. Appendix 2 provides an outline for an EMDP.

E. Consultation, Disclosure and Institutional Framework

14. For the preparation of a subproject's EMDP, the PPE will have overall coordination, planning, implementation, and financing responsibilities. Since ethnic minority issues may be sensitive, the enterprise's local branch officers, with assistance of the social and gender development specialist, will work with the local community group or local non-government organizations (NGO) for planning and implementation of the EMDP. The EMDP will be prepared with meaningful consultation with the affected ethnic minorities. The consultations will be clearly

and thoroughly documented. The mitigation measures and strategies will be presented to them in community-level workshops for their inputs before being finalized. The EMDP will be disclosed on ADB's website.

F. Grievance Procedure

15. A grievance redress mechanism will be developed for addressing the grievances and/or complaint from the affected ethnic minorities. Affected ethnic minorities can state grievance and/or complain directly to the enterprise, its local branch office, or directly to PPB or PMU in written form or through phone call and/or e-mail. PMU will make sure ethnic minorities are provided information about the system and trained on how to use it.

16. Resolution of complaints will be attempted at the enterprise's local branch office with the involvement of the representatives of ethnic minorities and NGOs. If a resolution cannot be reached at company's local branch office, the grievance and/or complaints will be raised to the main office of the enterprise or PPBs or PMU; addresses, contacts and information will be provided to affected ethnic minorities in an easy to understand manner and will be translated in local languages if required.

G. Monitoring and Evaluation

17. The implementation of the EMDP will be monitored. A set of monitoring indicators will be determined during EMDP implementation. The PMU will carry out monitoring and independent experts may need to be engaged; this will be specified in the EMDP and depends on the degree of social risk. Appropriate monitoring formats will be prepared for monitoring and reporting requirements. It is important to organize community meetings periodically, where ethnic minorities can discuss their activities and issues and/or challenges. All important issues raised, including agreements among participants on actions to be taken, will be recorded before the end of meetings. Field visits will be conducted every year to observe project progress and to provide responses to problems, if needed, during site visits.

H. Financial requirements

18. EMDP preparation and implementation costs will be financed by the subproject PPEs. The implementation and monitoring costs will be specified in each EMDP.

INDIGENOUS PEOPLES IMPACT CATEGORIZATION

Date: _____

A. Instructions (i) The project team completes and submits the form to the Environment and Safeguards Division (RSES) for endorsement by RSES Director, and for approval by the Chief Compliance Officer (CCO). (ii) The classification of a project is a continuing process. If there is a change in the project components or/and site that may result in category change, the Sector Division submits a new form and requests for re-categorization, and endorsement by RSES Director and by the CCO. The old form is attached for reference. (iii) The project team indicates if the project requires broad community support (BCS) of Indigenous Peoples communities. BCS is required when project activities involve (a) commercial development of the cultural resources and knowledge of indigenous peoples, (b) physical displacement from traditional or customary lands; and (c) commercial development of natural resources within customary lands under use that would impact the livelihoods or the cultural, ceremonial, or spiritual use that define the identity and community of indigenous peoples. (iv) In addition, the project team may propose in the comments section that the project is highly complex and sensitive (HCS), for approval by the CCO. HCS projects are a subset of category A projects that ADB deems to be highly risky or contentious or involve serious and multidimensional and generally interrelated potential social and/or environmental impacts.	
B. Project Data Country/Project No./Project Title : _____ Department/ Division : _____ Processing Stage : _____ Modality : _____ [] Project Loan [] Program Loan [] Financial Intermediary [] General Corporate Finance [] Sector Loan [] MFF [] Emergency Assistance [] Grant [] Other financing modalities: _____	
C. Indigenous Peoples Category <div style="text-align: right;">[] New [] Re-categorization — Previous</div> Category [] _____ <div style="display: flex; justify-content: space-between; border-top: 1px dashed black; border-bottom: 1px dashed black; padding: 5px 0;"> <input type="checkbox"/> Category A <input type="checkbox"/> Category B <input type="checkbox"/> Category C <input type="checkbox"/> Category FI </div>	
D. Project requires the broad community support of affected Indigenous Peoples communities. <div style="display: flex; justify-content: flex-end; align-items: center;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </div>	
E. Comments <div style="display: flex; border-bottom: 1px solid black;"> <div style="flex: 1; padding: 5px;">Project Team Comments:</div> <div style="flex: 1; padding: 5px;">RSES Comments:</div> </div>	
F. Approval	
Proposed by: Project Team Leader, {Department/Division} Date : _____	Reviewed by: Social Safeguard Specialist, RSDD/RSES Date : _____ Endorsed by: Director, RSES Date : _____
Social Development Specialist, {Department/Division} Date: _____	Director, RSES Date : _____

Endorsed by:	Approved by:	Highly <input type="checkbox"/> Complex and Sensitiv e Project
Director, {Division} Date:	Chief Compliance Officer Date :	

Indigenous Peoples Impact Screening Checklist

KEY CONCERNS (Please provide elaborations on the Remarks column)	YES	NO	NOT KNOWN	Remarks
Indigenous Peoples Identification				
1. Are there socio-cultural groups present in or use the project area who may be considered as "tribes" (hill tribes, schedules tribes, tribal peoples), "minorities" (ethnic or national minorities), or "indigenous communities" in the project area?				
2. Are there national or local laws or policies as well as anthropological researches/studies that consider these groups present in or using the project area as belonging to "ethnic minorities", scheduled tribes, tribal peoples, national minorities, or cultural communities?				
3. Do such groups self-identify as being part of a distinct social and cultural group?				
4. Do such groups maintain collective attachments to distinct habitats or ancestral territories and/or to the natural resources in these habitats and territories?				
5. Do such groups maintain cultural, economic, social, and political institutions distinct from the dominant society and culture?				
6. Do such groups speak a distinct language or dialect?				
7. Has such groups been historically, socially and economically marginalized, disempowered, excluded, and/or discriminated against?				
8. Are such groups represented as "Indigenous Peoples" or as "ethnic minorities" or "scheduled tribes" or "tribal populations" in any formal decision-making bodies at the national or local levels?				
B. Identification of Potential Impacts				
9. Will the project directly or indirectly benefit or target Indigenous Peoples?				
10. Will the project directly or indirectly affect Indigenous Peoples' traditional socio-cultural and belief practices? (e.g. child-rearing, health, education, arts, and governance)				

KEY CONCERNS (Please provide elaborations on the Remarks column)	YES	NO	NOT KNOWN	Remarks
11. Will the project affect the livelihood systems of Indigenous Peoples? (e.g., food production system, natural resource management, crafts and trade, employment status)				
12. Will the project be in an area (land or territory) occupied, owned, or used by Indigenous Peoples, and/or claimed as ancestral domain?				
C. Identification of Special Requirements <i>Will the project activities include:</i>				
13. Commercial development of the cultural resources and knowledge of Indigenous Peoples?				
14. Physical displacement from traditional or customary lands?				
15. Commercial development of natural resources (such as minerals, hydrocarbons, forests, water, hunting or fishing grounds) within customary lands under use that would impact the livelihoods or the cultural, ceremonial, spiritual uses that define the identity and community of Indigenous Peoples?				
16. Establishing legal recognition of rights to lands and territories that are traditionally owned or customarily used, occupied or claimed by Indigenous Peoples?				
17. Acquisition of lands that are traditionally owned or customarily used, occupied or claimed by Indigenous Peoples?				

D. Anticipated project impacts on Indigenous Peoples

Project component/ activity/ output	Anticipated positive effect	Anticipated negative effect
1.		
2.		
3.		
4.		
5.		

Note: The project team may attach additional information on the project, as necessary.

OUTLINE OF AN INDIGENOUS PEOPLES PLAN

1. This outline is part of the Safeguard Requirements 3. An Indigenous Peoples plan (IPP) is required for all projects with impacts on Indigenous Peoples. Its level of detail and comprehensiveness is commensurate with the significance of potential impacts on Indigenous Peoples. The substantive aspects of this outline will guide the preparation of IPPs, although not necessarily in the order shown.

A. Executive Summary of the Indigenous Peoples Plan

2. This section concisely describes the critical facts, significant findings, and recommended actions.

B. Description of the Project

3. This section provides a general description of the project; discusses project components and activities that may bring impacts on Indigenous Peoples; and identify project area.

C. Social Impact Assessment

4. This section:

- (i) reviews the legal and institutional framework applicable to Indigenous Peoples in project context.
- (ii) provides baseline information on the demographic, social, cultural, and political characteristics of the affected Indigenous Peoples communities; the land and territories that they have traditionally owned or customarily used or occupied; and the natural resources on which they depend.
- (iii) identifies key project stakeholders and elaborate a culturally appropriate and gender-sensitive process for meaningful consultation with Indigenous Peoples at each stage of project preparation and implementation, taking the review and baseline information into account.
- (iv) assesses, based on meaningful consultation with the affected Indigenous Peoples communities, the potential adverse and positive effects of the project. Critical to the determination of potential adverse impacts is a gender-sensitive analysis of the relative vulnerability of, and risks to, the affected Indigenous Peoples communities given their particular circumstances and close ties to land and natural resources, as well as their lack of access to opportunities relative to those available to other social groups in the communities, regions, or national societies in which they live.
- (v) includes a gender-sensitive assessment of the affected Indigenous Peoples' perceptions about the project and its impact on their social, economic, and cultural status.
- (vi) identifies and recommends, based on meaningful consultation with the affected Indigenous Peoples communities, the measures necessary to avoid adverse effects or, if such measures are not possible, identifies measures to minimize, mitigate, and/or compensate for such effects and to ensure that the Indigenous Peoples receive culturally appropriate benefits under the project.

D. Information Disclosure, Consultation and Participation

5. This section:

- (i) describes the information disclosure, consultation and participation process with the affected Indigenous Peoples communities that was carried out during project preparation;
- (ii) summarizes their comments on the results of the social impact assessment and identifies concerns raised during consultation and how these have been addressed in project design;
- (iii) in the case of project activities requiring broad community support, documents the process and outcome of consultations with affected Indigenous Peoples communities and any agreement resulting from such consultations for the project activities and safeguard measures addressing the impacts of such activities;
- (iv) describes consultation and participation mechanisms to be used during implementation to ensure Indigenous Peoples participation during implementation; and
- (v) confirms disclosure of the draft and final IPP to the affected Indigenous Peoples communities.

E. Beneficial Measures

6. This section specifies the measures to ensure that the Indigenous Peoples receive social and economic benefits that are culturally appropriate, and gender responsive.

F. Mitigative Measures

7. This section specifies the measures to avoid adverse impacts on Indigenous Peoples; and where the avoidance is impossible, specifies the measures to minimize, mitigate and compensate for identified unavoidable adverse impacts for each affected Indigenous Peoples groups.

G. Capacity Building

8. This section provides measures to strengthen the social, legal, and technical capabilities of (a) government institutions to address Indigenous Peoples issues in the project area; and (b) Indigenous Peoples organizations in the project area to enable them to represent the affected Indigenous Peoples more effectively.

H. Grievance Redress Mechanism

9. This section describes the procedures to redress grievances by affected Indigenous Peoples communities. It also explains how the procedures are accessible to Indigenous Peoples and culturally appropriate and gender sensitive.

I. Monitoring, Reporting and Evaluation

10. This section describes the mechanisms and benchmarks appropriate to the project for monitoring, and evaluating the implementation of the IPP. It also specifies arrangements for participation of affected Indigenous Peoples in the preparation and validation of monitoring, and evaluation reports.

J. Institutional Arrangement

11. This section describes institutional arrangement responsibilities and mechanisms for carrying out the various measures of the IPP. It also describes the process of including relevant local organizations and NGOs in carrying out the measures of the IPP.

K. Budget and Financing

12. This section provides an itemized budget for all activities described in the IPP.