



## Initial Poverty and Social Analysis

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Project Number: 42322  
June 2013

### MON: Food and Nutrition Social Welfare Project—Additional Financing

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Mongolia	Project Title:	Food and Nutrition Social Welfare Project – Additional Financing
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 overall project (ongoing and additional funding) will contribute to poverty reduction in Mongolia by improving social insurance and social welfare management information systems and sector strategies. It is consistent with the current country partnership strategy (2012–2016) pillar on inclusive social development which includes improving service delivery, capacity development, and policy reform.<sup>a</sup> Improving the management information systems of both social insurance and social welfare will improve service delivery and contribute to creating an enabling environment for evidence-based policy reform. The design is in line with the emphasis on inclusive economic growth in the Asian Development Bank's (ADB) long-term strategic framework 2008–2020 (Strategy 2020).<sup>b</sup> ADB has a long history of involvement in the social protection sector in Mongolia. The overall project (original and additional financing) builds on the institutional structures and service delivery mechanisms that were designed and initiated under the Social Security Sector Development Project loan.<sup>c</sup>

#### B. Targeting Classification

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

The overall project will improve management information systems in both social insurance (Social Insurance General Office [SIGO]) and social welfare (General Office for Social Welfare Services [GOSWS]). Such improvements will support analytical capabilities and the capacity to address service delivery quality and coverage. Design features such as various disaggregation capabilities (i.e., sex, age, etc.), will allow for better analysis, planning, and decision making in the future. Integrating development of a sector strategy will also help to ensure that problems previously encountered in the sector such as fiscal sustainability, targeting, and consolidation of benefits are properly addressed.

#### C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. Despite impressive growth over the past few years, Mongolia still has relatively high levels of poverty with the most recent data on national averages from the National Statistical Office at 27.4%. While poverty is highest in rural areas, urban areas are homes to the greatest numbers of poor. A large proportion of the poor population is engaged in informal sector employment, which is most often part-time and lacking secure benefits such as social insurance. In light of these disparities, and resulting inequalities, brought about by the economic transition of the country, it is very important for the government to focus on (i) ensuring that the social insurance system service delivery is excellent and capable of handling expanded coverage and scope; and (ii) that the social welfare systems and service delivery are able to function well and target those most in need of assistance. To achieve both goals, clear and transparent systems, service delivery mechanisms, and policies will be necessary. At present, the management information systems and capacity for both social insurance and social welfare are inadequate and impact negatively on service delivery. Insufficient strategic planning that comprehensively addresses balancing the two approaches to social protection for the population is also one of the main barriers to advancing both the systems and impacts of investment in the sector. Primary beneficiaries are (i) the general population covered by the social welfare and social insurance programs, (ii) staff of both SIGO and GOSWS at all levels, (iii) decision makers and planners in the sector, and (iv) the Ministry of Economic Development. The poor and socially excluded will benefit from the project through improved systems, analytical capabilities, and capacity of the Ministry of Population Development and Social Protection (MPDSP) to better design benefit coverage and plan for the future.

2. Impact channels and expected systemic changes. Direct: improved databases, capacity for monitoring and analysis of social insurance and social welfare benefits. Indirect: improved policy making, service delivery, and fiscal sustainability.

3. Focus of (and resources allocated in) the PPTA or due diligence. Issues to be considered include (i) coverage of existing social insurance and social welfare recipients, (ii) capacity of SIGO and GOSWS staff at the local level, (iii) potential linkage to proxy means testing (PMT) and intersectoral databases supported under the original project, (iv) sustainability of information technology (IT) investments, and (v) willingness of the public and government to support reform including consolidation of social welfare benefits.

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

<p align="center"><b>II. GENDER AND DEVELOPMENT</b></p> <p>1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program? A gender action plan was prepared for the original project and has been successfully implemented. It includes (i) sex-disaggregation of PMT data; (ii) communication and outreach to women in the project information, education, and communication on PMT and food stamps; (iii) joint electronic cards for food stamps (both wife and husband) for ease of use; and (iv) impact evaluation of food stamps with gender analysis. Sex-disaggregation of data is anticipated in the improvement of IT systems for SIGO and GOSWS and relevant gender action plan actions to cover the additional financing designed during processing. This will allow for better monitoring and gendered analysis of coverage.</p> <p>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? <input checked="" type="checkbox"/> Yes    <input type="checkbox"/> No    Please explain. The project will increase capacity in gender analysis of key data in social insurance and social welfare benefits.</p> <p>3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality? <input type="checkbox"/> Yes    <input checked="" type="checkbox"/> No    Please explain</p> <p>4. Indicate the intended gender mainstreaming category: <input type="checkbox"/> GEN (gender equity theme)    <input checked="" type="checkbox"/> EGM (effective gender mainstreaming) <input type="checkbox"/> SGE (some gender elements)    <input type="checkbox"/> NGE (no gender elements)</p>	
<p align="center"><b>III. PARTICIPATION AND EMPOWERMENT</b></p> <p>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 have been held and will continue during project processing. These include focus group discussions with SIGO and GOSWS staff, MPDSP staff and management, current project staff and others such as the World Bank who are supporting IT development in the GOSWS. More extensive consultation, including with staff is anticipated during processing.</p> <p>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? The additional financing focuses on IT development of the databases for social insurance and social welfare benefits. Extensive capacity building of staff is anticipated. Work on the sector strategy will involve consultation with the public including the poor and excluded.</p> <p>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? <input checked="" type="checkbox"/> Information generation and sharing M    <input checked="" type="checkbox"/> Consultation M    <input type="checkbox"/> Collaboration    <input type="checkbox"/> Partnership The project primarily focuses on government internal processes and databases. Consultation with civil society is envisioned under the work with the sector strategy.</p> <p>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?    <input type="checkbox"/> Yes    <input checked="" type="checkbox"/> No    The main focus is on IT development.</p>	
<p align="center"><b>IV. SOCIAL SAFEGUARDS</b></p>	
<p><b>A. Involuntary Resettlement Category</b>    <input type="checkbox"/> A    <input type="checkbox"/> B    <input checked="" type="checkbox"/> C    <input type="checkbox"/> FI</p> <p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement?    <input type="checkbox"/> Yes    <input checked="" type="checkbox"/> No    No land acquisition or resettlement is necessary.</p> <p>2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process? <input type="checkbox"/> Resettlement plan    <input type="checkbox"/> Resettlement framework    <input type="checkbox"/> Social impact matrix <input type="checkbox"/> Environmental and social management system arrangement    <input checked="" type="checkbox"/> None</p>	
<p><b>B. Indigenous Peoples Category</b>    <input type="checkbox"/> A    <input type="checkbox"/> B    <input checked="" type="checkbox"/> C    <input type="checkbox"/> FI</p> <p>1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples?    <input type="checkbox"/> Yes    <input checked="" type="checkbox"/> No</p> <p>2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain?    <input type="checkbox"/> Yes    <input checked="" type="checkbox"/> No</p> <p>3. Will the project require broad community support of affected indigenous communities?    <input type="checkbox"/> Yes    <input checked="" type="checkbox"/> No</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process? <input type="checkbox"/> Indigenous peoples plan    <input type="checkbox"/> Indigenous peoples planning framework    <input type="checkbox"/> Social Impact matrix <input type="checkbox"/> Environmental and social management system arrangement    <input checked="" type="checkbox"/> None</p>	

<b>V. OTHER SOCIAL ISSUES AND RISKS</b>
<p>1. What other social issues and risks should be considered in the project design?</p> <p> <input type="checkbox"/> Creating decent jobs and employment    <input type="checkbox"/> Adhering to core labor standards    <input type="checkbox"/> Labor retrenchment  <input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS    <input type="checkbox"/> Increase in human trafficking    <input type="checkbox"/> Affordability  <input type="checkbox"/> Increase in unplanned migration    <input type="checkbox"/> Increase in vulnerability to natural disasters    <input type="checkbox"/> Creating political instability  <input type="checkbox"/> Creating internal social conflicts    <input type="checkbox"/> Others, please specify _____ </p> <p>2. How are these additional social issues and risks going to be addressed in the project design? Not applicable</p>
<b>VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT</b>
<p>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 (vi) other social risks. Are the relevant specialists identified?</p> <p> <input type="checkbox"/> Yes    <input checked="" type="checkbox"/> No    No PPTA; no terms of reference have been prepared as this will be processed with input from RSDD Principal Economist, MNRM Gender Specialist, and EASS Senior Social Development Specialist. </p> <p>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? Staff input from those cited above.</p>

<sup>a</sup> ADB. 2012. *Country Partnership Strategy: Mongolia, 2012–2016*. Manila.

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

<sup>c</sup> ADB. 2001. *Report and Recommendation of the President to the Board of Directors: Proposed Loans and Technical Assistance Grant to Mongolia for the Social Security Sector Development Program*.