

## SOCIAL DEVELOPMENT AND GENDER ACTION PLAN

1. **Background:** Inner Mongolia Autonomous Region (IMAR) is a major link between People's Republic of China (PRC), Mongolia, and Russia. IMAR has in place a policy framework to promote regional cooperation and integration, and cross-border area development by developing the PRC–Mongolia–Russia Economic Corridor, with a focus on developing economic cooperation zones (ECZs), enhancing cross border connectivity, and improving the living condition of residents through access to better social services in border cities and towns. Supporting this framework, the proposed investment program includes four outputs with the following investments under Tranche 1:

2. **Impact and Outcome.** The investment program will be aligned with the following impact: sustainable economic development and shared prosperity for Central Asia Regional Economic Cooperation (CAREC) region achieved. The investment program will result in the following outcome: sustainable economic opportunities and living conditions in areas along the IMAR–Mongolia border improved.

3. **Outputs:** The investment program will deliver four major outputs to address the key constraints:

- (i) **Output 1: Sustainable infrastructure for cross-border connectivity and health services improved.**<sup>1</sup> The investment program will support sustainable infrastructure and institutional changes at five key border crossing points (BCPs) stretched over 2,000 kilometers (km) along the border between IMAR and Mongolia. This output comprises: (a) establishing a smart port management systems, including one-stop inspection and intelligent vehicle queuing; (b) installing a wind-powered, clean energy heating supply for the Erenhot–Zamyn-Uud ECZ; (c) building connecting and access roads at ECZs and BCPs; (d) improving a transit systems to smooth and speed up BCP logistics and reduce transboundary health risks including storage and transshipment facilities, customs clearance systems, and sanitary and phytosanitary clearance facilities; and (e) enhancing capacity and quality of services at the PRC–Mongolia International Hospital in Erenhot through the provision of advanced medical equipment and technical training on regional health security issues. In designing the infrastructure, the Group of 20 Principles for Quality Infrastructure Investment will be followed, including the principles of sustainability, resilience, inclusiveness, and innovative technologies.
- (ii) **Output 2: Ecological environment in key border towns improved.** This output includes: (a) creating protective forest strips to safeguard BCP communities from sandstorms and improving their environmental conditions using smart forestation technologies such as advanced reclaimed-water irrigation and intelligent fertilization; and (b) piloting a smart municipal waste collection system and introducing recycling systems to reduce negative impacts from human activities on the environment.
- (iii) **Output 3: Income-generating opportunities expanded.** This output comprises: (a) providing local currency loans to small and medium-sized enterprises (SMEs) engaged in cross-border businesses through a financial intermediation loan (FIL); (b) strengthening IMAR's business development service system for SMEs with particular support through piloting a program for female entrepreneurs and SMEs led by women; (c) developing an inclusive sheep value chain to create economic opportunities for farmers in border areas by building animal quarantine facilities, sheep processing logistics park, stud sheep breeding and farming bases at the Mandula port, and a livestock tracing and management system;

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<sup>1</sup> The Group of 20 Principles for Quality Infrastructure Investment will be followed, including the principles of sustainability, resilience, inclusiveness, and innovative technologies.

and (d) establishing the Poverty Alleviation Program (PAP) to ensure that poor households, including those headed by women, are integrated into the value chain.

- (iv) **Output 4: Cross-border cooperation mechanisms, technical project management, and institutional capacity strengthened.** This output includes: (a) annual international workshops to support existing bilateral coordination mechanisms at the Erenhot–Zamyn-Uud BCP and to facilitate cross-border policy dialogue between the PRC and Mongolia; (b) training for agricultural enterprises, farming households, and rural cooperatives to improve their use of livestock farming technology, animal disease prevention, and livestock waste management; and (c) training for executing agency, implementing agencies, project implementing entities (PIEs), and counterpart Mongolian officials in safeguards, procurement, financial management, gender equality, and awareness of sexual exploitation and harassment.

4. **Gender Analysis:** Gender analysis was conducted based on available statistics in Erenhot and Mandula, sex-disaggregated household survey data, focus group discussions with women, and interviews with women entrepreneurs, social security bureaus and Women Federation. Findings suggest that in terms of size, businesses owned and managed by women tend to be small enterprises with border trade related businesses encompassing areas such as catering and hotels, supermarkets, logistics, wood processing, meat processing, ore processing, coal imports, steel exports, translation service, custom clearance services, commodity sales, etc. The assessment found that many of the border trade small businesses are family-owned, with husband and wife running the business together. Also, a higher number of low-income households sampled in both project sites were engaged in small trade businesses than better off households. In interviews, women entrepreneurs indicated difficulties in accessing bank loans mainly related to lack of collateral for the size of loans needed. At present, they rely on savings and agricultural banks, and rural credit cooperatives. Women entrepreneurs also indicated their interest in learning more about how to use digital technologies (e.g. online platforms) and sustainable and green practices to expand their businesses. The survey also indicated high levels of dissatisfaction with current custom clearance in the Erenhot–Zamyn-Uud ECZ due to long waiting times, insufficient inspection facilities, cramped spaces, and complicated clearance procedures. During the survey, unemployed or underemployed women expressed their interest in job opportunities created by the subprojects, particularly jobs during project implementation and operation of the ecological belts.

5. **Objective:** Tranche 1 is classified as effective gender mainstreaming (EGM) and a combined social development and gender action plan (SDGAP) has been developed (Table 1). The objective of the SDGAP is to promote women participation and equal share in project benefits among poorer households, maximize positive gender equality impacts and mitigate possible risks and negative impacts.

6. **Actions:** The SDGAP focuses on (i) increasing the share of women-owned/led enterprises that access bank loans for business start-up or expansion, (ii) enhance the awareness and capacity of IMAR Project Management Office (IPMO) and financial intermediaries (FIs) regarding the financial needs of women-led enterprises, (iii) have target for women-led enterprises to benefit from business development support programs included under the capacity building output, (iv) promote economic empowerment of women through targets for jobs to be generated by the project, (v) targets for on-the-job technical training for women employees in cross-border areas, Erenhot PRC–Mongolia International Hospital (the Hospital) and government offices, (vi) integrating gender-sensitive features in the design of cross-border and customs facilities to be constructed or renovated, and (vii) promoting the participation of women-headed and low-income households in PAP.

7. **Implementation Arrangements:** The Government of IMAR (IMARG) is the executing agency (EA) and will have overall responsibility for the investment program. IPMO established under IMAR Development and Reform Commission (IDRC) has the overall responsibility for implementation, monitoring and reporting on SDGAP progress. The day-to-day implementation and monitoring of the SDGAP is under the responsibility of Erenhot Municipal Project Management Office (EPMO), Baotou Municipal Project Management Office (BPMO), Damaoqi County Project Management Office, Inner Mongolia Xiao Wei Yang Stock Raising Sciences and Technologies Co., Ltd (Xiaoweiyang) and one financial intermediary was selected under Tranche 1—Bank of Inner Mongolia (BOIM). A Social Safeguards and ESMS specialist will be engaged to provide guidance for the implementation of SDGAP across outputs and subprojects.

8. **Budget:** The SDGAP is financed with project funds and will be implemented over the life of the Tranche 1. Financing comes from three sources (i) project civil works budget, (ii) project management budget, and (iii) project capacity building budget. Training for women entrepreneurs will be financed from the SME development and promotion budget under Output 5.

9. **Monitoring and Reporting:** Monitoring and reporting on SDGAP implementation progress is a requirement. Reports will be incorporated in the overall project progress reports and will be submitted to ADB on a semi-annual basis. A reporting matrix sample form is provided in Appendix 8 of Facility Administration Manual. Sex-disaggregated data will be collected across subprojects. A national Social Safeguards and ESMS specialist will be recruited to support the implementation and reporting of SDGAP. EPMO and BPMO will appoint staff as focal point for the implementation and monitoring of the SDGAP in its level.

**Table 1: Social Development and Gender Action Plan for Tranche 1**

<b>Actions</b>	<b>Indicators and Targets</b>	<b>Budget</b>	<b>Timeframe</b>	<b>Responsible Agencies</b>
<b>Outcome</b>				
Promote women's economic empowerment through jobs at Erenhot and Mandula Ports.	<ul style="list-style-type: none"> <li>1,500 additional jobs<sup>a</sup> created in Erenhot and Mandula Ports, at least 40% of employment opportunities are taken up by women (2018 Baseline: 950;<sup>b</sup> 30%)</li> </ul>		2020–2027	IPMO, EPMO, BPMP, DPMO
<b>Output 1: Sustainable infrastructure for cross-border connectivity and health services improved</b>				
1.1 Promote employment for poor and low-income people in the Erenhot–Zamyn-Uud ECZ Inspection Area and Mandula Port International (Highway) Logistics Park	<ul style="list-style-type: none"> <li>10% unskilled<sup>c</sup> jobs for individuals from poor and low-income households (2018 baseline: 0%)</li> </ul>	Project budget	2020–2026	IPMO, EPMO, BPMP, DPMO
1.2 Erenhot–Zamyn-Uud ECZ Inspection Area and Mandula Port International (Highway) Logistics Park improved to integrate gender-sensitive features in its designs.	<ul style="list-style-type: none"> <li>Two nursing/baby changing rooms built, one in the entry passage waiting room and another on the exit passage of ECZ inspection area</li> <li>Two nursing and changing rooms built in the service center of Mandula Port International (Highway) Logistics Park</li> <li>Foldable toddler seats in 100% of women's restrooms (2018 baseline: 0%)</li> </ul>	Project civil work budget	2020–2026	IPMO, EPMO, BPMP, DPMO
<b>Output 2: Ecological environment in key border towns improved</b>				
2.1 Promote employment for women and low-income individuals in ecological restoration activities under Erenhot Subproject.	<ul style="list-style-type: none"> <li>Total 118 jobs created by the subproject, of which 76 would be unskilled, at least 40% of unskilled jobs for women (e.g. planting and installing pipeline)</li> <li>10% of unskilled jobs for low-income individuals (2019 baseline: 0%)</li> </ul>	Project budget	2020–2026	IPMO, EPMO
<b>Output 3: Income-generating opportunities expanded</b>				
3.1 Promote women entrepreneurs' access to subloans by setting a quota for women-led SMEs that meet lending requirements from FIs.	<ul style="list-style-type: none"> <li>At least 10 SMEs provided with sub-loan from FIL annually, among them 20% SMEs receiving sub-loan from FIL are women-owned or women-led<sup>d</sup> (2019 baseline: 4%)</li> </ul>	FIL	2020–2026	IPMO, FIs
3.2 Promote the participation of women herders/farmers from poor and low-income households in the implementation of PAP.	<ul style="list-style-type: none"> <li>At least 2,000 poor households participated in the PAP, including at least 50% of the existing poor women-headed households (2018 baseline: 0)</li> <li>At least 100 jobs (including short-term jobs) provided to the poor households annually (2018 baseline: 0)</li> </ul>	Poverty Alleviation Project budget	2020–2026	IPMO, BPMP, Xiaoweiayang
<b>Output 4: Cross-border cooperation mechanisms, technical project management, and institutional capacity strengthened</b>				
4.1 Government officials undertake training to develop institutional capacities in project management, including implementation of gender	<ul style="list-style-type: none"> <li>At least 250 government officials who have reported improved skills and knowledge on regional cooperation and services, project management, safeguards, and</li> </ul>	Capacity building budget	2020–2026	IPMO

Actions	Indicators and Targets	Budget	Timeframe	Responsible Agencies
actions, and for the preparation of future tranches under the investment program.	gender issues, of which, at least 40% are women (2018 baseline: 0)			
4.2 PMOs and FIs receive training on SME development with special focus on supporting women entrepreneurs or women-led SME development.	<ul style="list-style-type: none"> <li>At least three training sessions or workshops on best practices in developing financial products and support programs for women-led enterprises (2018 baseline: 0)</li> </ul>	Capacity building budget	2020–2026	IPMO, FIs
4.3 Business development services will be provided for women-led SMEs.	<ul style="list-style-type: none"> <li>At least 30% of SMEs receiving business development services are women-led.</li> </ul>	Capacity building budget	2020–2026	IPMO, FIs
4.4 Target women professionals and technicians in operation capacity development for the Hospital.	<ul style="list-style-type: none"> <li>At least 200 management, doctors, and nurses participating in on-site job training report improved skills on diagnosis, treatment skills, ward management, hospital operation and transboundary disease and epidemic disease prevention and control (at least 50% women) (2018 baseline: 0)</li> </ul>	Capacity building budget	2020–2026	IPMO, EPMO, Hospital
4.5 Promote the participation of women from poor and low-income households in livestock manure treatment and sheep farming technology.	At least 600 person-time from poor and low-income households participating in livestock manure training and sheep farming technology (at least 50% of women) (2018 baseline: 0)	Capacity building budget	2020–2026	IPMO, BPMP, Xiaoweiayang
4.6 Monitor zero tolerance to human trafficking, sexual exploitation, abuse and harassment through reporting mechanisms, training, awareness raising for contractors, immigration officers, customs officers, ECZ officers and communities.	<ul style="list-style-type: none"> <li>100% contractors comply with and report on requirements on SEAH</li> <li>100% officials and communities comply with and report on requirements on SEAH (2018 baseline: 0)</li> </ul>	Project management budget	2020–2026	IPMO, EPMO, BPMP

BOIM = Bank of Inner Mongolia, BPMP = Baotou Municipal Project Management Office, DPMO = Damaoqi County Project Management Office, ECZ = Economic Cooperation Zone, EPMO = Erenhot Municipal Project Management Office, ESMS = environmental and social management system, FIs = financial intermediaries, FIL = financial intermediation loan, IPMO = Inner Mongolia Autonomous Region project management office, PAP = poverty alleviation program, SEAH = sexual exploitation, abuse and harassment, SMEs = small and medium-sized enterprises.

<sup>a</sup> 1,000 skilled and 500 unskilled employment during the operation phases. Target for women's employment is 40% in each.

<sup>b</sup> These 950 jobs are the current jobs at Erenhot and Mandula ports, including port staff and business employees.

<sup>c</sup> Such as landscaping jobs.

<sup>d</sup> Women-owned or led SME is defined as: enterprises with majority ownership by one or more women; or enterprises where senior management responsibility is held by one or more women.

Source: Asian Development Bank.