

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	People's Republic of China (PRC)	Project Title:	Xinjiang Hetian Comprehensive Urban Development and Environmental Improvement Project
Lending/Financing Modality:	Project	Department/ Division:	East Asia Department/Urban and Social Sectors Division

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The project seeks to develop urban infrastructure, and improve municipal services and the urban environment in several areas of Hetian city, Xinjiang Uygur Autonomous Region. The project will contribute to poverty reduction by improving access for urban and peri-urban residents, including the poor, to municipal services (public transportation, water supply, sewerage, wastewater treatment, etc.), public health, environmental sanitation, and living conditions.

The proposed project is consistent with the country partnership strategy (2016–2020) of the Asian Development Bank (ADB) for the PRC, in terms of facilitating inclusive urbanization and promoting low carbon development to help address climate change; and is included in the country operations business plan, 2016–2018, for the PRC, which references inclusive development of small-sized cities and urban redevelopment. The project is in line with the PRC's Thirteenth Five-Year Plan (2016–2020), the New Type Urbanization Plan (2014–2020), and regional and Hetian city master plans. The project supports ADB's Midterm Review of Strategy 2020 in ensuring inclusiveness in infrastructure operations and supporting climate change adaptation and mitigation; is directly in line with the main thrust of ADB's Urban and Water Operational Plans by promoting green, competitive, and inclusive cities.

#### B. Poverty Targeting

General Intervention  Individual or Household (TI-H)  Geographic (TI-G)  Non-Income MDGs (TI-7)  
 The project will improve the urban and peri-urban infrastructure and environment which will increase the number of residents with access to safe drinking water and basic sanitation. (MDG target 7c, SDG targets 6,11).

#### C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.  
 Hetian city is a growing ethnic city whose urban infrastructure services and environment are struggling to keep up with population growth. By the end of 2015, Hetian city had a total urban population of 331,400. The Uygur population is 288,600, which is 87.08% of the total city population, the Han population is 41,100, constituting 12.41% of the total city population. An additional 1,700 people are from other ethnic groups (0.51% of total population). The 2015 population is 331400 compared to the 2011 projection of 320,000 by 2015. The project direct beneficiaries are existing urban and peri-urban residents who live in the project area, as well as those that may move to the area in the future. Project indirect beneficiaries include residents in Hetian city who will benefit from improved urban infrastructure, municipal services, environment, and increased job opportunities. There are significant numbers of registered poor who will benefit from increased employment opportunities.
2. Impact channels and expected systemic changes.  
 The living conditions of the beneficiaries are expected to improve due to increased and better access to municipal services, e.g., water supply and sanitation; and improved public transportation network to access urban services, markets, and employment opportunities.
3. Focus of (and resources allocated in) the PPTA or due diligence.  
 The TA will (i) collect data to assess current needs in social and poverty aspects; (ii) assess the affordability and willingness to pay to access water supply, wastewater, and other improved services; (iii) assess types of employment opportunities, and identify effective measures to improve employment opportunities for local people, including the poor and women; (iv) assess the negative impact and compensation mechanisms for those involved in land acquisition and resettlement during project implementation; and (v) identify effective mechanisms for community-based awareness activities and participation (public transportation, environmental, water and sanitation, etc.) and participate in project monitoring activities. The TA specialists will be engaged to complete a poverty and social analysis (PSA), gender action plan (GAP), resettlement plan, and ethnic minority development plan.
4. Specific analysis for policy-based lending. Not applicable.

### II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program?  
 The impacts of poor urban environment and limited urban infrastructure add to women's time burdens, limit access and mobility, and increase safety concerns. It is envisaged that improvements in urban environment will greatly benefit women. Public consultation participation and awareness programs on environmental sanitation, public

transportation improvements, and improved public health and safety will also have important positive impacts. Key gender issues include (i) ensuring access to employment opportunities generated by the project, and (ii) ensuring meaningful participation in decision-making process to ensure incorporation of women's needs concerns and interests in the project. The PSA will include a gender analysis to identify possible risks and effective mitigation measures. The gender analysis will also look at issues of access and time burdens for water and sanitation.

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?

Yes  No Please explain.

Gender analysis will be conducted as part of the PSA, and gender concerns and needs will be incorporated in the design and implementation of the project. GAP will be developed, which will incorporate strategies, mechanisms, and actions for addressing gender concerns. Opportunities will be explored to collaborate with All China Women's Federation on women's employment, training, public consultation, and awareness raising issues. Additional focus will be given to review how ethnic and religious values and practices can be used to promote the involvement of Uyгур women in project activities.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?

Yes  No

All beneficiaries will benefit from improved living conditions and access to municipal services.

4. Indicate the intended gender mainstreaming category:

GEN (gender equity)  EGM (effective gender mainstreaming)  
 SGE (some gender elements)  NGE (no gender elements)

### III. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.

The main stakeholders include government agencies of Xinjiang and Hetian (development and reform commissions, water resource bureaus, design institutes, finance bureaus, women's federations, poverty reduction bureaus, land resource bureaus, civil affairs bureaus, planning bureaus, and housing and urban-rural construction bureaus of relevant city, counties, and town). The stakeholders also include project beneficiaries and affected people and businesses.

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?

PSA and consultation meetings will be conducted during the TA to identify views and concerns of the beneficiaries, especially vulnerable groups, to inform the project design and develop measures for effective implementation of the project. Mechanisms of local communities' engagement will also be studied to improve water and sanitation service delivery process. Accessibility and affordability of water supply and sanitation services will be assessed during the TA through the PSA.

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?

Information generation and sharing (H)  Consultation (H)  Collaboration  Partnership

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?  Yes  No

The TA will conduct PSA to assess the positive and negative impacts of the project. Particularly, the PSA will look at accessibility and affordability of urban services for the poor and vulnerable households. Extensive public consultations will be conducted during the TA on project design. The TA will conduct stakeholders' workshops and address social safeguards.

### IV. SOCIAL SAFEGUARDS

**A. Involuntary Resettlement Category**  A  B  C  FI

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement?  Yes  No The project will involve land acquisition resulting in physical and economic displacement of a significant number of people, most of which are Uyгур.

2. What action plan is required to address involuntary resettlement as part of the TA or due diligence process?

Resettlement plan  Resettlement framework  Social impact matrix  
 Environmental and social management system arrangement  None

<p><b>B. Indigenous Peoples Category</b> <input checked="" type="checkbox"/> A <input type="checkbox"/> B <input 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 checked="" type="checkbox"/> Yes <input 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>In total, there are 290,300 ethnic minority people (87.6% of the total beneficiary population) living in the direct project area who will benefit from better access to municipal services and enjoy the improved living environment. Uyghur will be affected by land acquisition and resettlement, as well as the urban upgrading and redevelopment. They need to be consulted and involved in such decision-making process. A thorough assessment of the issue will be done during the TA stage.</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 TA or due diligence process?  <input checked="" 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 type="checkbox"/> None</p>
<p align="center"><b>V. OTHER SOCIAL ISSUES AND RISKS</b></p> <p>1. What other social issues and risks should be considered in the project design?  <input checked="" type="checkbox"/> Creating decent jobs and employment (L) <input checked="" type="checkbox"/> Adhering to core labor standards (L) <input type="checkbox"/> Labor retrenchment  <input checked="" type="checkbox"/> Spread of communicable diseases, including HIV/AIDS (L) <input type="checkbox"/> Increase in human trafficking <input checked="" type="checkbox"/> Affordability(M)  <input checked="" type="checkbox"/> Increase in unplanned migration (uncertain) <input checked="" type="checkbox"/> Increase in vulnerability to natural disasters (M) <input type="checkbox"/> Creating political instability  <input checked="" type="checkbox"/> Creating internal social conflicts (uncertain) <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?  Increased tariffs to poor and other vulnerable people will be assessed during the TA stage, including subsidies or exemptions. The project will create employment opportunities during construction and operation. The use of core labor standards will be included in the loan assurances. HIV/AIDS clauses will be included in the bidding documents, and awareness and prevention activities will be held during the project implementation and included in the assurances. The TA will also look at other impacts the project may have, such as unplanned migration, internal social conflicts, and vulnerability to natural disasters.</p>
<p align="center"><b>VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT</b></p> <p>1. Do the terms of reference for the TA (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 (v) other social risks. Are the relevant specialists identified?  <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</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 TA or due diligence?  The TA includes specific outputs for the analysis and plan under the fixed budget selection. The poverty, social, and gender analysis, training, and consultations on social development issues are also budgeted under the TA.</p>

Source: Asian Development Bank.



