

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	People's Republic of China	Project Title:	Guangxi Regional Cooperation and Integration Promotion Investment Program
Lending/Financing Modality:	Multi-tranche Financing Facility	Department/ Division:	EARD/EAPF

<b>I. POVERTY IMPACT AND SOCIAL DIMENSIONS</b>
<p><b>A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy</b></p> <p>The proposed investment program is consistent with ADB's Country Partnership Strategy (CPS) for the People's Republic of China (PRC) 2016–2020 and with the Greater Mekong Subregional (GMS) Regional Investment Framework (RIF) 2014-2018.</p>
<p><b>B. Poverty Targeting</b></p> <p><input checked="" type="checkbox"/> General Intervention <input type="checkbox"/> Individual or Household (TI-H) <input type="checkbox"/> Geographic (TI-G) <input type="checkbox"/> Non-Income MDGs (TI-M1, M2, etc.)</p> <p>The proposed investment program will increase cross-border trade and investment by improving cross-border financial services, and support local businesses through business development services, particularly for small and medium enterprises (SME) not only in Guangxi, but also in the neighboring border areas of Viet Nam.</p>
<p><b>C. Poverty and Social Analysis</b></p> <p>1. Key issues and potential beneficiaries. The proposed investment program will benefit the border areas of Guangxi Zhuang Autonomous Region (Guangxi), where the local income levels are lower than the national and provincial average. The investment program will also benefit the residents and businesses in the neighboring border provinces in Viet Nam which are also very poor. The investment program is expected to generate more business and employment opportunities for the border areas in Guangxi and Viet Nam.</p> <p>2. Impact channels and expected systemic changes. Direct impact will be to improve credit access and provide various business development services for SMEs and border area residents, including women traders. Higher-income job opportunities will also be generated for local workers including those from the Viet Nam side. Indirect impacts will be to improve environment for doing business, particularly for SMEs and border area residents.</p> <p>3. Focus of (and resources allocated in) the PPTA or due diligence. About \$100,000 from the PPTA will be allocated for analyses of poverty- and social-related issues including indigenous peoples development, business development services for SMEs and small traders, and protection of labor rights especially for foreign workers.</p>
<b>II. GENDER AND DEVELOPMENT</b>
<p>1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program? The proposed investment program will have an indirect, but positive, impact by increasing trade and employment opportunities for women traders in border areas of Guangxi and Viet Nam.</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 investment program will directly and indirectly help empower women by improving access to financial services for SMEs, providing training for small border traders and local and foreign workers (many of whom are women), and upgrading local bazaars of which majority of users are women.</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 The investment program will have positive social impacts on women and girls by providing credit access, improving their job skills through training, and generating higher-income jobs. Potential negative impacts such as abuse of labor rights of women and HIV concerns will need to be properly addressed during design and implementation of the investment program.</p> <p>4. Indicate the intended gender mainstreaming category:  <input type="checkbox"/> GEN (gender equity) <input checked="" type="checkbox"/> EGM (effective gender mainstreaming)  <input type="checkbox"/> SGE (some gender elements) <input type="checkbox"/> NGE (no gender elements)</p>
<b>III. PARTICIPATION AND EMPOWERMENT</b>
<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.</p> <p>The main stakeholders of the proposed investment program are governments in Guangxi at provincial, prefectural and county levels; border control agencies including customs, quarantine, and immigration authorities; and trader and transport operators from both Guangxi and Viet Nam's border provinces, many of which are local SMEs; market vendors and laborers; and people that may be displaced by the development of infrastructure and other facilities in and surrounding the border economic zones. Project design will include stakeholder consultations with these groups</p>

<p>to identify impediments to cross-border trade, transport and investment, and in addressing other concerns.</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?</p> <p>The proposed investment program will help engage and empower the local people by improving their access to finance; raising their skill level; improving the policy environment for local SMEs; improving working and living conditions for local and foreign laborers; and generating higher-income jobs for them.</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?</p> <p>Opportunities for involving civil society organizations will be sought during project preparation and implementation.</p> <p><input checked="" type="checkbox"/> Information generation and sharing (M) <input checked="" type="checkbox"/> Consultation (M) <input type="checkbox"/> Collaboration <input type="checkbox"/> Partnership</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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Many people in the border areas are relatively poor. This investment program will be a good opportunity to raise the income levels. However, there also needs to be targeted skills training and employment programs.</p>
<p><b>IV. SOCIAL SAFEGUARDS</b></p>
<p><b>A. Involuntary Resettlement Category</b> <input checked="" type="checkbox"/> A <input type="checkbox"/> B <input 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>The investment program will involve the development of physical infrastructure such as roads, tunnels, bridges and bazaars. The potential negative impacts on displaced people needs to be assessed, and mitigation measures implemented.</p>
<p>2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?</p> <p><input checked="" type="checkbox"/> Resettlement plan (for Tranche 1) <input checked="" type="checkbox"/> Resettlement framework (for MFF) <input type="checkbox"/> Social impact matrix</p> <p><input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None</p>
<p><b>B. Indigenous Peoples Category</b> <input type="checkbox"/> A <input checked="" 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 checked="" type="checkbox"/> Yes <input 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?</p> <p><input checked="" type="checkbox"/> Indigenous peoples plan (for Tranche 1) <input checked="" type="checkbox"/> Indigenous peoples planning framework (for MFF) <input type="checkbox"/> Social Impact matrix</p> <p><input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> None</p>
<p><b>V. OTHER SOCIAL ISSUES AND RISKS</b></p>
<p>1. What other social issues and risks should be considered in the project design?</p> <p><input checked="" type="checkbox"/> Creating decent jobs and employment (H) <input checked="" type="checkbox"/> Adhering to core labor standards (M) <input type="checkbox"/> Labor retrenchment</p> <p><input checked="" type="checkbox"/> Spread of communicable diseases, including HIV/AIDS (M) <input checked="" type="checkbox"/> Increase in human trafficking (M) <input type="checkbox"/> Affordability</p> <p><input type="checkbox"/> Increase in unplanned migration <input type="checkbox"/> Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability</p> <p><input checked="" type="checkbox"/> Creating internal social conflicts (M) <input checked="" type="checkbox"/> Others, please specify Increasing illegal trade</p>
<p>2. How are these additional social issues and risks going to be addressed in the project design?</p> <p>The investment program will create higher-pay job opportunities for the local and Vietnamese workers from the border areas. The investment program will provide training and other services to the workers. The Framework Finance Agreement will include covenants regarding adherence to core labor standards. Other social risks will be assessed and included in the ethnic minority development plan.</p>
<p><b>VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT</b></p>
<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 (v) other social risks. Are the relevant specialists identified?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>About \$150,000 from the PPTA will be allocated for analyses of these issues.</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?</p> <p>One international social safeguards specialist for 2 person-months, one national resettlement specialist for 2 person-months, and one national indigenous peoples specialist for 2 person-months.</p>