



## Initial Poverty and Social Analysis

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Project Number: 50096  
July 2016

Proposed Loan for People's Republic of China:  
Green Financing Platform for Accelerated Air Quality  
Improvement in the Greater Beijing-Tianjin-Hebei  
Region

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	People's Republic of China	Project Title:	Green Financing Platform for Accelerated Air Quality Improvement in the Greater Beijing-Tianjin-Hebei Region
Lending/Financing Modality:	Project loan	Department/Division:	East Asia Department

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The proposed project aims to improve the environment and enhance low-carbon transformation in greater Beijing-Tianjin-Hebei (BTH) region, which would contribute to overall air quality and environment improvement in the region and further to the east. The expected outputs of the proposed project include: (i) adjusted energy structure, (ii) construction of green and efficient buildings, (iii) promotion of low-emission and efficient vehicle, (iv) leveraging green development financing, and (v) capacity development. The proposed project is aligned with the government action plan on air pollution prevention and control. The project supports the 13th Five-Year Plan of the People's Republic of China (PRC) 2016–2020 on environmental improvement and low-carbon transformation. The project also supports the Development-oriented Poverty Reduction for China's Rural Areas, 2011–2020, which promotes poverty reduction through environmentally friendly urbanization and balanced resource allocation to avoid disproportional impacts on the poor. The project is (i) aligned with the (a) Country Partnership Strategy, 2016–2020 of the Asian Development Bank (ADB) for the PRC; (b) its paper on a new partnership with upper middle-income countries; and (ii) consistent with ADB's environment operational directions, which promote investing in natural capital to ensure that environmental goods and services can sustain future economic growth.<sup>1</sup>

#### B. Poverty Targeting

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

In the greater BTH region, Luliang, Taihang, and Yan mountains are three of 14 designated poverty zones in the national poverty program. Hebei has 39, Shanxi has 35, and Inner Mongolia has 31 designated poverty counties, compared with 0 in Beijing, Tianjin, and Shandong. About 14.6 million poor people live in the greater BTH region.<sup>2</sup> The impact of the project will improve the environment and reduce adverse health impacts in the greater BTH region. In general, the poor and the vulnerable people are more at risk of health issues from air pollution as they normally have (i) less access to public information on air quality, (ii) facilities and equipment without any protection against air pollution, and (iii) little choice of working hours and places. Often, they cannot afford good medical treatments. The proposed project will indirectly benefit the poor and the vulnerable people with improved environment.

#### C. Poverty and Social Analysis

1. **Key issues and potential beneficiaries.** The direct beneficiaries of the project are about 267.8 million people—the total population of Beijing municipality, Tianjin municipality, Hebei province, Inner Mongolia Autonomous Region, Shanxi province, and Shandong province. Broadly, the project will benefit the surrounding provinces and visitors to the greater BTH region now suffering from deteriorated environment.
2. **Impact channels and expected systemic changes.** Over 14 million poor and vulnerable people in the greater BTH region will be benefited by the improved environment and low-carbon transformation including reducing the use of coal for household heating and cooking. Better environment will have a significant impact on public health in terms of reduced health care and medicinal expenses. It will benefit particularly children and the elderly, who are the most vulnerable to cardiovascular and respiratory diseases. Income loss from restricted economic activities because of poor air quality will also be avoided, thereby increasing work productivity in the greater BTH region.
3. **Focus of due diligence.** Poverty and social analysis will be conducted and reported in a summary of poverty reduction and social strategy, to be prepared from staff resources.

<sup>1</sup> ADB. 2016. *Transforming Partnership: People's Republic of China and Asian Development Bank, 2016–2020*. Manila; ADB. 2015. *Clients– Contributors–Collaborators: A New Partnership with Upper Middle-Income Countries*. Manila; ADB. 2013. *Environment Operational Directions, 2013–2020*. Manila.

<sup>2</sup> Based on the statistical data, Inner Mongolia has 1.17 million poor people, Hebei has 5.12 million, Shandong has 5.2 million, and Shanxi has 3.18 million.

## 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?  
Female may have higher incidence of respiratory diseases related to the indoor air pollution by using coal for household heating and cooking.
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
3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?  
 Yes  No  
The project will not have adverse impact on women and/or girls or widen gender inequality.
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 of the project include bureaus in each province and municipality covered by the greater BTH that play a part in environment improvement, and their local government counterparts from the municipality, district, and county. The provincial/municipal bureaus include finance, development and reform commission, environment protection, transport, public security, housing, urban-rural development, agriculture, and human resource and social security.
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?  
Not applicable.
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 (M)  Consultation  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

## 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 environment and social management system will include subproject screening to exclude those with potential impacts.
2. What action plan is required to address involuntary resettlement as part of the project preparatory technical assistance (PPTA) or due diligence process?  
 Resettlement plan  Resettlement framework  Social impact matrix  
 Environmental and social management system arrangement  None

### B. Indigenous Peoples Category A B C FI

1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples?  Yes  No
2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain?  Yes  No
3. Will the project require broad community support of affected indigenous communities?  Yes  No
4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?  
 Indigenous peoples plan  Indigenous peoples planning framework  Social impact matrix (included in a labor market analysis)  Environmental and social management system arrangement The ESMS will include subproject screening to exclude those with impacts on ethnic minorities  
 None

## V. OTHER SOCIAL ISSUES AND RISKS

1. What other social issues and risks should be considered in the project design?  
 Creating decent jobs and employment (M)  Adhering to core labor standards (L)  Labor retrenchment  
 Spread of communicable diseases, including HIV/AIDS  Increase in human trafficking  Affordability  
 Increase in unplanned migration  Increase in vulnerability to natural disasters  Creating political instability  
 Creating internal social conflicts  Others, please specify:

<p>2. How are these additional social issues and risks going to be addressed in the project design? Standard assurance on labor will be included in the project agreement. Impact on new employment opportunities will be assess.</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 the 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 PPTA or due diligence? A total of 3 person-months of social expert will be hired to conduct social due diligence during PPTA implementation.</p>

Source: Asian Development Bank.