



Initial Poverty and Social Analysis

December 2018

People's Republic of China: Demonstration of Guangxi Elderly Care and Health Care Integration and Public–Private Partnership Project

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 26 November 2018)

Currency unit	–	yuan (CNY)
CNY1.00	=	\$0.1439
\$1.00	=	CNY7.5392

ABBREVIATIONS

ADB	–	Asian Development Bank
ADL	–	activities of daily living
GZAR	–	Guangxi Zhuang Autonomous Region
GZARG	–	Guangxi Zhuang Autonomous Region Government
PPP	–	public–private partnership
PRC	–	People's Republic of China
TAS	–	transaction advisory service

NOTE

In this report, "\$" refers to United States dollars.

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INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	People's Republic of China (PRC)	Project Title:	Demonstration of Guangxi Elderly Care and Health Care Integration and Public-Private Partnership 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 will support the municipalities of Nanning and Hezhou of the GZAR to strengthen their current ECS and to integrate this to health care services, to be able to better provide the needs of the elderly. Project objective reflects the PRC's rapidly changing demographic structure. In 2016, the proportion of people aged over 65 years old to total population (the aging rate) was 10.8% in PRC. Aging rate is estimated to reach 14% in 2025, and 21% in 2035. In Nanning, the population is 7.6 million; 11% of which are elderly (65+ years). Among them, 46% are men and 54% are women. In Hezhou, the population is 2.4 million; 10% of which are elderly (47% are men and 53% are women). The central government issued the policy of elderly care and health care integration in 2015.^a Following this policy, GZARG issued the policy on development of elderly care services, highlighting the integration of elderly care and health care in 2016,^b with the municipalities of Nanning and Hezhou selected as pilot cities of elderly care and health care integration in 2017.^c Moreover, the GZARG has issued a policy in 2016 to enhance the involvement of the private sector in strengthening the provision of care services for the elderly people.^d Despite these policies, GZARG's experience in promoting (i) the integration of elderly care and health care, and (ii) the involvement of the private sector in providing elderly care and health care services has been limited. The proposed project will address those key issues and support GZAR's policy on Implementation of Elderly Care and Health Care Integration Promotion as well as the Healthy China 2030 Strategy Plan, which highlight elderly care and health as critical development challenges in the PRC.^e The project is also in line with the ADB's country partnership strategy for the PRC, 2016–2020 and the Operational Plan for Health, 2015–2020 which have elderly care as a focus area.^f The Strategy 2030 highlights the aging population as a key to address two of the seven operational priorities, i.e., reducing poverty and inequality, and making cities more livable. The project is included in the country operations business plan for the PRC, 2018–2020 and will be the first foreign-funded project in GZAR to help develop a PPP model, as well as address its development challenge to adapt to the aging population.

B. Poverty Targeting (Select one):
 General intervention Individual or household (TI-H) Geographic (TI-G) Non-income MDGs (TI-M1, M2, etc.)

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. The PRC's population is aging rapidly at a time when the per capita income remains modest. The significant and rapid increase of the elderly population influences the economy and society. This creates a huge pressure on the state and the private sector to develop an integrated ECS and health care services that can serve the elderly population. In GZAR, social security systems cover a broad portion of the population, but still insufficient to meet the care needs of elderly people. Personal circumstances and health care needs of elderly people vary in terms of income sources and levels, assets, and the availability of family support that directly affect their wellbeing. Many of them need specialized elderly and health care services. It is a challenge in the PRC to provide the provision of long-term nursing care institutions responsible for their daily living, medical services, and rehabilitation facilities.
2. Impact channels and expected systemic changes. Impact channels include development of adequate services of integrated ECS and health care in the two municipalities, including improvements to the coverage and utilization of ECS and health care services. The project will improve long-term and recovery nursing care services, develop a PPP model for integrated elderly care and health service provision, strengthen the capacity of ECS institutions with health care services; and develop the capacity of elderly care management and project management.
3. Focus of (and resources allocated in) the TA or due diligence. The following issues are to be reviewed during the project design: (i) the quantity and quality of existing supply of ECS and health care for the elderly people, and the level of those user fees; (ii) the capacity of the public and the private sector service-providers to deliver quality ECS and health care; and (iii) the ECS and health care needs and concerns of the elderly ethnic minority households in the project areas.
4. Specific analysis for policy-based lending. N/A

II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector and/or subsector that are likely to be relevant to this project or program? The gender dimensions of aging are in many ways the results of a lifetime of accumulation of

vulnerabilities. Issues include disparities in lifespans, financial assets of men and women to pay for care services, and multigenerational care provider roles of women. The project will coordinate services between medical institutions and elderly care agencies to provide continuous, proper services to the elderly men and women in need, and to reduce hospitalization. Another key gender issue is the potential benefit of the project for women in terms of human resources development for the sector, and the large employment impacts it can create for women. Institutionalized long-term recovery nursing care services will release young women from home-based elderly care duties.

2. Does the proposed project or program have the potential to contribute 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 A gender action plan will be prepared during the project design.

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

Yes No

It will improve old women's access to elderly care and medical services. Long-term ECS will release young women from household chores including looking after old relatives at home, thereby enabling them to participate in the employment market and to improve their opportunities.

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. Main stakeholders are the elderly people, public and private sector ECS providers, health and social care providers, and local government officials (health, civil affairs, labor, social security, education, construction, finance bureau, and municipality). Extensive stakeholder consultations will be conducted during project design to ensure that their needs, recommendations, and perspectives are addressed by the project. Information on project design and project benefits will be conveyed to the elderly people through focus group discussions, consultations, advertisements.

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? All elderly people whose needs for care are identified by a care needs assessment, will be eligible to access improved, combined ECS and health facilities regardless of their ethnicity and vulnerability. The project will support to develop a standardized care needs assessment scheme, and the level and types of needed care for an elderly person will be assessed based on this. The use of elderly and health care services as well as those levels of fee schedules will be done in consultation with the elderly, the elderly care workers and ECS agency managers.

3. What are the key, active, and relevant civil society organizations (CSOs) in the project area? What is the level of civil society organization participation in the project design?

Information generation and sharing Consultation Collaboration Partnership

Associations for elderly people and volunteer networks to support elderly have been and are being created across the PRC. It would be important for the project team to engage with them to know their views and to seek ways to include them in the project plans.

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how should they be addressed? Yes No

Elderly people will be consulted during the project design on issues such as, but not limited to, their needs, views on type, quality, availability and targeting mechanisms of services, location and design of facilities, and ability, and willingness to pay.

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 proposed project includes six subprojects. Land acquisition have been completed for three of six subprojects, and the elderly care service-related facilities will be built on the acquired sites. For one of the six, the land acquisition has been partially completed, and remaining land about 30 *mu* is to be acquired. Two of the six have identified the land and will acquire those sites for about 115 *mu*. Land acquisition will affect about 20 houses and some crops. As a result, the total impact of land acquisition on individuals and communities is limited. A resettlement plan will be prepared, and due diligence will be carried out for land that were already acquired and in the process of acquisition.

2. What action plan is required to address involuntary resettlement as part of the transaction TA 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

<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 The main ethnic minorities in the project areas are Yao and Zhuang. They are well integrated into the mainstream society. The project will benefit the elderly in the two municipalities without any restriction based on their ethnicity. During project design further investigations will be conducted to determine other unidentified ethnic minority groups, if any, and to ascertain whether their natural and cultural resources will be affected by the project. If any such group is likely to be affected adversely or will not receive project benefits as others will do, an ethnic minority development plan will be prepared; otherwise, ethnic minority issues will be addressed in the resettlement plan or in the social development action plan.</p> <p>3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No There will be no involuntary resettlement of affected persons or acquisition and impact on their cultural resources and natural resources.</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the transaction TA 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 arrangements <input checked="" type="checkbox"/> None</p>
V. OTHER SOCIAL ISSUES AND RISKS
<p>1. What other social issues and risks should be considered in the project design? <input checked="" type="checkbox"/> Creating decent jobs and employment <input checked="" 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 checked="" type="checkbox"/> L 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? By preparing a comprehensive resettlement plan, a GAP and an SDAP.</p>
VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT
<p>1. Do the terms of reference for the transaction TA (or other due diligence) contain key information needed to be gathered during transaction TA or due diligence process to better analyze (i) poverty and social impacts, (ii) gender impacts, (iii) APs' 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 transaction TA or due diligence? An international social and resettlement specialist will work with a local poverty and social specialist, a resettlement specialist, and a social specialist. Local data collectors and survey enumerators will assist them in conducting surveys, interviews and consultations.</p>

ADB = Asian Development Bank, ECS = elderly care services, EMDP = ethnic minority development plan, GZAR = Guangxi Zhuang Autonomous Region, GZARG = Guangxi Zhuang Autonomous Region Government, PPP = public-private partnership, PRC = People's Republic of China, TA = technical assistance.

¹ Government of the PRC, State Council. 2015. *Notice [84] on the Integration of Elderly Care and Health Care*. Beijing.

^b GZARG. 2016. *Opinion [82] on Implementation of Elderly Care and Health Care Integration Promotion*. Guangxi.

^c Hezhou Municipal People's Government. 2017. *Notice [90] on Pilot of Promoting Elderly Care and Health Care in Hezhou City*. Hezhou. People's Government of Nanning Municipality. *Notice [235] on Implementation of Elderly Care and Health Care Integration Promotion*. Nanning.

^d GZARG. Department of Civil Affairs. 2016. *Promote Involvement of Private Sector in the Elderly Care Sector*. Guangxi.

^e Government of the PRC, State Council. 2016. *The Healthy China 2030*. Beijing.

^f ADB. 2016. *Country Partnership Strategy: People's Republic of China, 2016–2020—Transforming Partnership: People's Republic of China and Asian Development Bank*. Manila; and ADB. 2015. *Operational Plan for Health, 2015–2020*. Manila