

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	People's Republic of China	Project Title:	Air Quality Improvement in the Greater Beijing–Tianjin–Hebei Region—Regional Emission-Reduction and Pollution-Control Facility
Lending/Financing Modality:	Project	Department/Division:	East Asia Department/Energy Division

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY
Targeting classification: general intervention
A. Links to the National Poverty Reduction and Inclusive Growth Strategy, and Country Partnership Strategy
<p>The proposed project will directly assist in removing barriers to the deployment of advanced technologies and applications to reduce air pollution from industries, urban infrastructure, and agriculture in the greater Beijing–Tianjin–Hebei (BTH) region.^a</p> <p>The project will finance advanced technologies and applications in industries, urban infrastructure, and agriculture for air pollution reduction that have been proven at scale in other countries but are not deployed at scale in the People's Republic of China (PRC), such as (i) renewable energy-based district heating, (ii) renewable energy-based industrial park, (iii) zero-emission public transportation, and (iv) conversion of agricultural waste to bio-methane for cooking and heating fuel.</p> <p>The project is aligned with the government action plan on air pollution prevention and control. The project supports the Thirteenth Five-Year Plan (2016–2020) of the PRC on environmental improvement and low-carbon transformation.^b The project also supports the Development-oriented Poverty Reduction Program 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 aligned with the country partnership strategy (2016–2020) of the Asian Development Bank (ADB) for the PRC.^c</p>
B. Results from the Poverty and Social Analysis during Project Preparation or Due Diligence
<p>1. Key poverty and social issues. Air pollution is a serious issue in the greater BTH region. In general, the poor and the vulnerable people suffer a higher health impact from air pollution because they normally have (i) less access to public information on air quality, (ii) low affordability to purchase equipment (i.e., air purifier) for air pollution protection, and (iii) less affordability to receive good medical treatments.</p> <p>2. Beneficiaries. The proposed project will directly benefit the project developers that apply advanced technologies and applications in industries, urban infrastructure, and agriculture. Improved air quality will indirectly benefit about 371 million people—including about 15 million poor people, 155.41 million women, and 5.42 million poor women—in the greater BTH region.^d</p> <p>3. Impact channels. The subprojects to be financed under the proposed project will contribute to improving air quality, thereby reducing adverse health impacts in the greater BTH region. The project as a whole will indirectly benefit the poor and the vulnerable people by improving the environment.</p> <p>4. Other social and poverty issues. Apart from the proposed project, the government has been shutting down the polluting industries in the greater BTH region to improve the air quality. This results in creating unemployed people, which requires a social safety net from the government, such as unemployment benefits, labor retrenchment or re-employment, retraining or skill enhancement, health care for unemployed or retired workers, and vocational training for young people.</p> <p>5. Design features. The project itself is designed to promote advanced technologies and application in the greater BTH region.</p>

II. PARTICIPATION AND EMPOWERING THE POOR	
<p>1. Participatory approaches and project activities. A stakeholder communication strategy has been established to (i) implement the project in an open and transparent manner, (ii) consult and protect the interests of stakeholders who might be adversely affected by the project, (iii) communicate with interested parties to promote advanced technologies and applications, and (iv) minimize corruption risk.</p> <p>2. If civil society has a specific role in the project, summarize the actions taken to ensure their participation. Civil society has no specific role in the project.</p> <p>3. Civil society organizations. The proposed project does not need to involve civil society organizations in project implementation.</p> <p>4. What forms of civil society organization participation is envisaged during project implementation? The following applies to the beneficiary communities. <input checked="" type="checkbox"/> Information gathering and sharing <input type="checkbox"/> Consultation <input type="checkbox"/> Collaboration <input type="checkbox"/> Partnership</p> <p>5. Will a project-level participation plan be prepared to strengthen participation of civil society as interest holders for affected persons, particularly the poor and vulnerable? <input type="checkbox"/> Yes. <input checked="" type="checkbox"/> No. A plan is not required.</p>	
III. GENDER AND DEVELOPMENT	
Gender mainstreaming category: no gender elements.	
A. Key issues	
The project is not expected to have any adverse gender impacts because it is financing incremental improvements to existing industries in order to achieve energy savings. The public in general will benefit.	
B. Key actions	
No action is needed because no gender issues are associated with the project. <input type="checkbox"/> Gender action plan <input type="checkbox"/> Other actions or measures <input checked="" type="checkbox"/> No action or measure	
IV. ADDRESSING SOCIAL SAFEGUARD ISSUES	
A. Involuntary Resettlement	
Safeguard Category: <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input checked="" type="checkbox"/> FI	
<p>1. Key impacts. The proposed project will not consider financing any subproject that will entail permanent or temporary land acquisition, physical displacement, or economic displacement.</p> <p>2. Strategy to manage the impacts. The environmental and social management system (ESMS) will include subproject screening to exclude those with potential impacts.</p> <p>3. Plan or other actions. An ESMS was prepared, which includes the subproject screening criteria.</p>	
B. Indigenous Peoples	
Safeguard Category: <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input checked="" type="checkbox"/> FI	
<p>1. Key impacts. The proposed project will not consider financing any subproject that will have an impact on ethnic minorities. Is broad community support triggered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>2. Strategy to manage the impacts. The ESMS will include subproject screening to exclude those with impacts on ethnic minorities. Most ethnic minority communities in the greater BTH region will not suffer significant impacts because they are located away from large cities.</p> <p>3. Plan or other actions. An ESMS was prepared and includes the subproject screening criteria.</p>	
V. ADDRESSING OTHER SOCIAL RISKS	
A. Risks in the Labor Market	
<p>1. Relevance of the project for the country's or region's or sector's labor market <input type="checkbox"/> unemployment <input type="checkbox"/> underemployment <input type="checkbox"/> retrenchment <input checked="" type="checkbox"/> (L) core labor standards</p> <p>2. Labor market impact. The standard assurance on labor standards is included in the project agreement, and subproject due diligence will confirm compliance with national labor laws. No labor retrenchment is expected since subprojects that may result in labor retrenchment will not be eligible to receive financial support under the project.</p>	
B. Affordability	
There is no affordability issue because the direct beneficiaries of this project are enterprises. However, the affordability of beneficiaries under the renewable energy-based district heating subproject could be a concern. The project due diligence confirmed that poor households will be exempt from heating connection fees and tariffs, the cost of which will be shared between local government and heating companies.	

C. Communicable Diseases and Other Social Risks

1. Indicate the respective risks, if any, and rate the impact as high (H), medium (M), low (L), or not applicable (NA):

(NA) Communicable diseases (NA) Human trafficking

(NA) Others (please specify) _____

2. Describe the related risks of the project on people in project area.

The standard assurance on the spread of communicable diseases is included in the project agreement.

VI. MONITORING AND EVALUATION

1. **Targets and indicators.** The performance targets do not address poverty reduction and inclusive social development because the project's targeting classification is general intervention.

2. **Required human resources.** The implementing agency will hire a safeguard consulting firm to support the implementation of the ESMS and ensure social safeguard and labor retrenchment screening of the subprojects.

3. **Information in project administration manual.** Compliance with social safeguard screening and exclusion is documented in the monitoring reports.

4. **Monitoring tools.** Semiannual ESMS implementation reports will be submitted by the executing and implementing agencies.

^a The greater BTH region refers to Beijing and Tianjin municipalities; Hebei, Henan, Shandong, Shanxi, and Liaoning provinces; and Inner Mongolia Autonomous Region.

^b Government of the PRC. 2015. *The 13th Five-Year Plan for Economic and Social Development of the People's Republic of China, 2016–2020*. Beijing.

^c ADB. 2016. *Country Partnership Strategy: Transforming Partnership: People's Republic of China and Asian Development Bank, 2016–2020*. Manila.

^d 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.

Source: Asian Development Bank estimates.