



Initial Poverty and Social Analysis

September 2018

Proposed Loan People's Republic of China: Jiangxi Shangrao Early Childhood Education Demonstration Project

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 7 September 2018)

Currency unit	=	yuan (CNY)
CNY1.00	=	\$0.146
\$1.00	=	CNY6.835

ABBREVIATIONS

ADB	–	Asian Development Bank
ECE	–	early childhood education
GER	–	gross enrollment ratio
PRC	–	People's Republic of China
TA	–	technical assistance

NOTE

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

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INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	People's Republic of China	Project Title:	Jiangxi Shangrao Early Childhood Education Demonstration Project
Lending/Financing Modality:	Project	Department/Division:	East Asia Department/Urban and Social Sectors Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS
<p>A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy</p> <p>The project aims to improve access to quality three-year early childhood education (ECE), especially in rural areas where many poor and disadvantaged children live, by increasing access to ECE; improving pre- and in-service kindergarten teacher and principal training systems; and developing models and systems for improving and ensuring the quality of ECE. The project supports the rural revitalization strategy of the central and Jiangxi Provincial Government, seeking to coordinate government interventions in different policy areas and sectors with the goals of revitalizing rural areas and eliminating rural poverty. The project is aligned with one of the strategic priorities identified in the Asian Development Bank's country partnership strategy for the People's Republic of China (PRC), 2016–2020—supporting inclusive economic growth (reducing poverty and inequality).^a</p>
<p>B. Poverty Targeting</p> <p><input type="checkbox"/> General intervention <input type="checkbox"/> Individual or household (TI-H) <input type="checkbox"/> Geographic (TI-G) <input checked="" type="checkbox"/> Non-income SDGs (TI-SDG1, SDG4, SDG10)</p>
<p>C. Poverty and Social Analysis</p> <p>1. Key issues and potential beneficiaries. Shangrao is one of the 11 prefecture-level municipalities comprising Jiangxi Province. Among the 11 municipalities, Shangrao ranked the second lowest in gross domestic product per capita (CNY26,996) in 2016. Home to about 450,000 poverty-stricken people (13% of the total population), Shangrao's four out of nine counties are classified as national poverty-stricken counties. With the urbanization rate at 48.9%, Shangrao is predominated by rural areas where poverty persists. The per capita household income in rural areas (CNY11,103 in 2016) is equal to only about one-third of that in urban areas (CNY29,153). Income poverty in rural areas is further compounded by lack of access to basic infrastructure and public services, including quality ECE. As of July 2018, 65 out of 188 townships in Shangrao have no public kindergarten. The number of administrative villages with the population of 2,000 and above having no public kindergarten remains considerable. Although the gross enrollment ratio (GER) has significantly improved since 2010, especially for one- and two-year ECE (93% and 81% respectively in 2017), receiving quality three-year ECE remains a challenge, as evidenced by the GER for three-year ECE at 66%; the staff-child ratio at 1:19; and the percentage of qualified ECE teachers at 43%. The project will directly benefit more than 20,000 children annually who are expected to receive quality ECE at newly constructed and upgraded kindergartens in Poyang, Shangrao (the two are national poverty-stricken counties), Yanshan, Yushan, Wannian, and Wuyuan counties. These kindergartens will be located mostly in rural areas. Children in rural areas are more disadvantaged than those in urban areas because, in addition to lower quality ECE provided in rural areas, they are often left behind by their parents who migrate to work elsewhere and cannot receive sufficient parental care and support. Research shows that high-quality ECE brings social and economic benefits especially to children from disadvantaged backgrounds and reduces intergenerational inequality and poverty.</p> <p>2. Impact channels and expected systemic changes. Direct impact channels will be (i) increased access to kindergartens which comply with the national construction standards and are rich in quality ECE resources and support, especially in rural areas; (ii) improved availability of qualified ECE teachers and principals, especially in rural areas; (iii) upgraded skills and knowledge of ECE teachers to understand the needs of each child and effectively interact with them; and (iv) enhanced management and pedagogical leadership of kindergarten principals to ensure safe and stimulating learning environments. These will contribute to improving access to three-year ECE of quality, especially for children in rural areas. Expected systemic changes include (i) popularization of quality assessment methods and tools for child progress and development; (ii) development of township-centered village kindergarten networks with township center kindergartens providing support and ECE resources for teachers and principals at village kindergartens; (iii) enhanced collaboration between ECE and other community services, especially in rural areas, through the development of community-integrated ECE models; (iv) improved monitoring of ECE quality and sharing of quality ECE resources through the upgraded Smart Education Platform; and (v) increased knowledge of policies and practices that are conducive to improve the quality of ECE.</p>

3. Focus of (and resources allocated in) the transaction TA or due diligence. The transaction TA will support the (i) review of issues with access, affordability, quality, and child development learning and school readiness outcomes of ECE for children, considering disadvantaged sex; children from poor families; children left behind by their parents; children with disabilities; children from ethnic minority groups; and other disadvantaged backgrounds; (ii) assessment of benefits and negative impacts of the project on various stakeholders; (iii) identification of measures to mitigate negative impacts and enhance benefits; and (iv) preparation of a social development, ethnic minority, and gender action plan for the project.

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?

Although girls accounted for 48% of the kindergarten-aged (3–6) population in Shangrao, in 2017 only 45% of children enrolled in ECE were girls (girls were slightly more in public kindergartens than private kindergartens, making up 46% of children enrolled at public kindergartens, as opposed to 45% in private kindergartens). The GER for ECE (regardless of how many years they have enrolled in ECE) for girls was 78%, lower than that for boys (85%). As part of poverty and social analysis, the reason for lower enrollment of girls in ECE will be investigated. Among ECE staff, by contrast, women were dominant, representing 93% in 2017 (82% at public kindergartens; 96% at private kindergartens). Gender issues among female and male ECE teachers; principals; and other staff will be further examined in the social and poverty analysis including those related to career choice; qualifications; recruitment; working conditions; salaries and benefits; professional development opportunities; career progression; and managerial responsibilities at different types of kindergartens (public, private, urban, township center, and village-level) in various geographical locations. Moreover, effects of ECE on women's labor force participation will be analyzed.

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

Measures to increase enrollment of girls in ECE and promote gender equity among ECE staff will be identified during project preparation and will be incorporated into the project design as well as in a social development, ethnic minority, and gender action plan.

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

Yes No

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 are kindergarten-aged children and their parents or other care givers; kindergartens; ECE staff including pre-service ECE teachers and principals; Shangrao ECE Normal College; and local communities. They will participate in the process of designing the project through interviews, focus group discussions, public consultations, and workshops.

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?

The project will increase access to three-year ECE of quality, especially in rural areas where most children from poor families and ethnic minority groups; children left behind by their parents; and children from other disadvantaged backgrounds reside. The quality of ECE in rural areas will be improved by strengthening pre- and in-service ECE teacher and principal training systems; developing township-centered village kindergarten networks and community-integrated ECE models; increasing the availability of quality ECE resources; and monitoring the quality of ECE through the Smart Education Platform. The main stakeholders will be involved in designing the activities above.

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 (H) Consultation (M) Collaboration (L) Partnership (L)

During project preparation, community-level organizations in rural areas will be identified and how their services can be integrated into ECE will be examined.

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

Types of services available at kindergartens and their quality and affordability; safety and management of kindergartens; and parental and community engagement in ECE are some of the issues that require information sharing and consultations with the main stakeholders, particularly parents and other care givers of kindergarten-aged children, ECE staff, and local communities in rural areas.

IV. SOCIAL SAFEGUARDS	
A. Involuntary Resettlement Category <input checked="" type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI	
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 The acquisition of mostly farmland collectively owned by villages is required for the construction of new kindergartens. Assessment of social impact for involuntary resettlement will be carried out. It will cover the identification of past, present, and future potential impacts based on (a) meaningful consultations, (b) baseline data analysis including census and asset inventory; (c) gender- and ethnic-disaggregated information pertaining to the economic and socio-cultural conditions of the affected persons; (d) analysis of potential impacts on vulnerable individuals and groups; and (e) replacement cost survey. The assessment of social impact for involuntary resettlement, including measures to enhance or at least restore the livelihoods of the affected people, and opportunities resulting from the project, such as better access to ECE for eligible children of the affected persons and employment during and post construction period, will become the basis for the preparation of resettlement plans.	
2. What action plan is required to address involuntary resettlement as part of the transaction TA or due diligence process? <input checked="" type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None	
B. Indigenous Peoples Category <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
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 In Shangrao and Yanshan counties where new kindergartens will be constructed, and existing kindergartens will be upgraded under the project, there are several townships resided by the She ethnic minority. Children from the ethnic minority group will have better access to quality three-year ECE. During project preparation, the ethnic minority group will be involved through interviews, focus group discussions, and public consultations. Their concerns will be addressed in the project design.	
3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
4. What action plan is required to address risks to indigenous peoples as part of the transaction 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 Ethnic minority actions and measures will be incorporated into the social development, ethnic minority, and gender action plan for the project.	
V. OTHER SOCIAL ISSUES AND RISKS	
1. What other social issues and risks should be considered in the project design? <input checked="" type="checkbox"/> Creating decent jobs and employment (M) <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 (L) <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	
2. How are these additional social issues and risks going to be addressed in the project design? The project will contribute to the creation of decent jobs and employment at newly constructed and upgraded kindergartens. Compliance with core labor standards and dissemination of information on the risk of communicable diseases, including HIV/AIDS, will be included in the project agreement. The project will support mainly public kindergartens whose tuition and other fees are set at affordable levels.	
VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT	
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 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	
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? 1.5 person-months of international and 2 person-months of national social development and gender specialists will be engaged under the transaction TA to conduct poverty, social, ethnic minority, and gender analysis; and prepare a social development, ethnic minority, and gender action plan for the project.	

ECE = early childhood education, GER = gross enrollment ratio, TA = technical assistance.

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