

INITIAL POVERTY AND SOCIAL ANALYSIS

Country: Project Title:

Lending/Financing Modality: Department/Division:

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The project will improve water resource management, ecological restoration and environment protection in Dengzhou City, Henan Province, where the branches of Han River, a major tributary of the Yangtze River, flows through. The project will help preserve the natural environment and improve the living conditions of people residing in Dengzhou City. The project is aligned with the (i) Thirteenth Five-Year Plan of the People's Republic of China, 2016–2020; (ii) Guidelines on the Yangtze River Basin Economic Development issued by the State Council in 2014; and (iii) Yangtze River Economic Belt master plan (2016–2030) issued by the National Development and Reform Commission in 2016. The project is also aligned with (i) Asian Development Bank's (ADB) country partnership strategy for the People's Republic of China, 2016–2020; (ii) ADB's Strategy 2020 and the Midterm Review of the Strategy; and (iii) ADB's Water Operational Plan, 2011–2020.

B. Poverty Targeting

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

The project is proposed as general intervention in poverty reduction. About 4.5% of beneficiaries are expected to be the poor. The project will improve the overall living conditions of the poor as well as other local residents.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. The poor water supply, environmental pollution and ecological degradation are key issues for the local residents. Improving water supply, water quality and ecological environment are priority needs of the beneficiaries.

Of the 1.78 million total population of Dengzhou City, about 0.77 million people in the project area will benefit directly from the project. The remaining 1.01 million people in Dengzhou City would benefit indirectly from the project. The beneficiaries will benefit from the improved water supply and water quality, ecological restoration and environment protection supported by the project.

The transaction technical assistance (TA) will further identify the project's beneficiaries, undertake beneficiary analysis and prioritize their needs to be addressed by the project.

2. Impact channels and expected systemic changes. The project will have positive impacts through both structural and non-structural measures. The beneficiaries will benefit directly through improved water quality and water supply, wastewater and garbage management, river ecological restoration, wetland construction, and afforestation for water and soil conservation. Local socio-economic conditions are expected to improve after the improvement of water and ecological conditions, bringing further indirect benefits to residents of Dengzhou City.

The TA will undertake social analysis and identify the project's impacts among different groups of beneficiaries, including the poor and vulnerable groups.

3. Focus of (and resources allocated in) the transaction TA or due diligence. The TA consultant team will include an international social development and resettlement specialist, a national social development specialist, a national resettlement specialist and a community development specialist. Adequate budget will be included in the TA to conduct necessary studies on social aspects. The TA consultants will (i) conduct the poverty and social analysis focusing on gender, poverty, participation and labor issues; (ii) conduct social safeguard due diligences; and (iii) prepare necessary action plan on resettlement, social development, gender, and participation.

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?

The poor water supply and deteriorated water quality and environment adversely affect living conditions of women and men. The lack of reliable water supply and wastewater collection impact women more seriously than men, since women take more responsibility in managing water and caring of family members. Dengzhou City also lacks skills and employment opportunities for women, who are under increased stress due to the rapid urbanization and migration.

The TA will assess gender issues through conducting social and gender analysis as well as consultation with women groups in the project area.

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 Please explain.

The project will improve water supply, water quality, living environment and livelihood conditions benefiting women. The TA consultants will assess women's needs and develop measures to ensure women in the project area benefit equitably. A gender action plan will be prepared focusing on employment generation, capacity building and other relevant measures for women. Women will be empowered through their participation in project activities.

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

Yes No Please explain

The project is not expected to widen gender inequality.

4. Indicate the intended gender mainstreaming category:

GEN (gender equity theme) 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 project executing and implementing agencies, local villages/communities and beneficiaries and affected people in the project area the main stakeholders. The executing and implementing agencies are the Dengzhou City Government and its bureaus, respectively, including the Water Resources Bureau, Housing and Urban-Rural Construction Bureau, Environment Protection Bureau, and Integrated Urban-Rural Development Pilot Area Administration Bureau. The stakeholders will be consulted during the project preparation to ensure that the project design corresponds to their needs. Particularly, affected people will be consulted to ensure their voices are heard.

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 TA will prepare and implement a consultation and participation plan during the project preparation. Local communities will be engaged in the design of the project, including the environment management, water supply and water quality improvement. The project affected people will be engaged in assessment of impacts and preparation of safeguard plans.

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 (H) Consultation (H) Collaboration (M) Partnership N/A
Village and community representatives, women's federation, and community-based groups will participate in consultations for the project design.

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

The design of structural and nonstructural measures will need participation of local residents, including the poor and vulnerable groups. Preparation of resettlement plan and other mitigation plans need participation of affected people.

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

Land acquisition will be needed for the civil works with an estimated 20 hectares of collective land, and about 800 persons will be economically or physical displaced. A resettlement specialist will be engaged under the TA to help the project assess the land acquisition and resettlement impacts and prepare a resettlement plan.

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

The project is situated in Dengzhou City, Henan Province, which is inhabited by the mainstream Han population and a few ethnic minorities accounting less than 2% of the total population. Five villages/communities with Hui ethnic

minority reside in the project area. During the TA, surveys will be conducted to quantify the ethnic minority population and to assess potential impacts to them. Measures will be developed to ensure ethnic minority communities will benefit from the project in a culturally appropriate way, and that adverse effects are avoided or mitigated.

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
 Environmental and social management system arrangement 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 (L) Adhering to core labor standards (M) Labor retrenchment
 Spread of communicable diseases, including HIV/AIDS (L) Increase in human trafficking Affordability (L)
 Increase in unplanned migration Increase in vulnerability to natural disasters Creating political instability
 Creating internal social conflicts Others, please specify: _____

2. How are these additional social issues and risks going to be addressed in the project design?

Affordability of increased water tariffs for the poor and vulnerable households will be assessed during the TA, including willingness-to-pay; and necessary mitigation measures will be developed. Employment opportunities during the project construction and operation will be assessed. Requirements of compliance with labor regulations and core labor standards will be included in the project assurances. A social development action plan will be prepared including relevant social measures to be implemented during the project implementation.

VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the terms of reference for the TRTA (or other due diligence) contain key information needed to be gathered during TRTA or due diligence process to better analyze (i) poverty and social impact; (ii) gender impact, (iii) participation dimensions; (iv) social safeguards; and (vi) other social risks. Are the relevant specialists identified?

Yes No

The TA consultants' terms of reference include relevant activities, including (i) conducting the poverty and social analysis; and (ii) preparation of relevant planning documents, including a resettlement plan, a social development action plan, and gender action plan.

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 resettlement and social development specialist, a national resettlement specialist, a national social development specialist, and a community development specialist are included in the TA team. Necessary budget for survey, workshops, etc. is also included in the TA.