



## Initial Poverty and Social Analysis

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### PRC: Anhui Huangshan Xin'an River Ecological Protection and Green Development Project

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Asian Development Bank

## **CURRENCY EQUIVALENTS**

(as of 15 September 2018)

Currency unit	–	yuan (CNY)
CNY1.00	=	\$0.1455
\$1.00	=	CNY6.8705

## **ABBREVIATIONS**

ADB	–	Asian Development Bank
PRC	–	People's Republic of China
TA	–	technical assistance

## **NOTE**

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

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## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	People's Republic of China	Project Title:	Anhui Huangshan Xin'an River Ecological Protection and Green Development Project
Lending/Financing Modality:	Project	Department/Division:	EARD/EAER

<b>I. POVERTY IMPACT AND SOCIAL DIMENSIONS</b>
<p><b>A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy</b></p> <p>The project will improve quality of the living environment through environmental protection and rehabilitation in Huangshan Municipality, which is one of the selected pilot cities for eco-compensation across provinces in the Yangtze River Economic Belt in the People's Republic of China (PRC). This will improve the overall well-being and reduce vulnerability of the residents in the project area, including poor and vulnerable groups.</p> <p>The project is aligned with: (i) the Thirteenth Five-Year Plan of the PRC, 2016–2020, and the PRC National New-Type Urbanization Plan, 2014–2020; (ii) Asian Development Bank's (ADB) country partnership strategy for the PRC, 2016–2020; (iii) ADB's Strategy 2030; and (iv) ADB's Water Operational Plan, 2011–2020; the Urban Operational Plan, 2012–2020; and the Environment Operational Directions, 2013–2020. The project is also aligned with the Outline of the Yangtze River Economic Belt Development Plan issued by the Central Government of the PRC in 2016.</p>
<p><b>B. Poverty Targeting</b></p> <p><input checked="" type="checkbox"/> General intervention   <input type="checkbox"/> Individual or household (TI-H)   <input type="checkbox"/> Geographic (TI-G)   <input type="checkbox"/> SDGs (Goals 6, 9, and 11)</p> <p>The project is classified as 'general intervention', as the project will improve quality of the living environment for all residents in the project area through enhanced ecological systems, environmental infrastructure, and diversified economic opportunities. It will also contribute to Sustainable Development Goals 6, 9, and 11 through sustainable management of water. The technical assistance (TA) will collect further information and confirm the classification during the feasibility stage.</p>
<p><b>C. Poverty and Social Analysis</b></p> <p><b>1. Key issues and potential beneficiaries.</b></p> <p>Most people living in Huangshan Municipality are expected to benefit from the project.<sup>a</sup> They will benefit from improved ecological systems, environmental infrastructure, and diversified economic opportunities. Since the weak environmental management and limited employment opportunities in such city impact the poor and vulnerable households more severely, they are expected to benefit from the project. The TA will collect detailed information about the beneficiaries, including the poor, low-income, women, and other vulnerable households, and their needs and any constraints for them to access project benefits.</p> <p><b>2. Impact channels and expected systemic changes.</b></p> <p>The project's improvement of ecological systems and environmental infrastructure as well as diversification of economic opportunities are expected to result in improvement of living conditions of all people living in Huangshan Municipality. In addition, the project will create job opportunities during construction that will be mostly available for local people. The short-term employment and long-term improvement in living conditions are expected to benefit the poor and low-income people as well. The TA will assess the project's impacts among different social groups during the feasibility stage.</p> <p><b>3. Focus of (and resources allocated in) the PPTA or due diligence.</b></p> <p>The TA consultant team includes an international social development specialist, a national social development and resettlement specialist. Budget is included to conduct surveys and consultations. The specialists will conduct poverty, gender, and social analyses, and prepare necessary plans to address social issues. The focus of the poverty, gender, and social analyses and planning process will be on the following: (i) identification of project beneficiaries and collection of baseline socio-economic conditions in the project area; (ii) assessment of potential impacts and opportunities for the project beneficiaries, focusing on the poor, low-income, and vulnerable groups; (iii) consultation with potential beneficiaries as well as other stakeholders; (iv) developing project design measures to maximize poverty reduction and social development impacts; and (v) preparing necessary social action plans.</p>
<b>II. GENDER AND DEVELOPMENT</b>
<p>1. What are the key gender issues in the sector and/or subsector that are likely to be relevant to this project or program?</p>

Women comprise an increasing proportion of population in the rural areas due to outmigration of men. The poor environment and limited employment opportunities put more burden on women who have more responsibility in caring for sick or weak family members and in protecting children and elderly people, etc. Women's participation is relatively low in public affairs and economic opportunities except for agricultural activities. During the project preparation stage, consultations will be held with women groups to further identify gender issues, needs of women, and the opportunities for support in the proposed project.

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

The TA will identify opportunities to contribute to gender equity or empowerment of women and will develop design elements to ensure that women in the project area benefit equitably from the project interventions. Sex disaggregated data will be collected, and a gender action plan will be prepared during the TA implementation, which will focus on employment generation and capacity building for women under the project, and empowering women through improved participation in project design and management as well as nonstructural measures.

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

Yes  No

The project is not expected to widen gender inequality or have differential adverse impacts on women.

4. Indicate the intended gender mainstreaming category:

GEN (gender equity)  EGM (effective gender mainstreaming)  
 SGE (some gender elements)  NGE (no gender elements)

The project is tentatively categorized as 'some gender elements', which will be revisited during the TA implementation and possibly upgraded to 'effective gender mainstreaming', as appropriate.

### 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.

Neighborhoods, villages, beneficiary groups, and affected people (e.g. rural farmers, urban and rural people that will be displaced by the construction of wastewater infrastructure, eco-tourism activities and related infrastructure), in the project area as well as local government agencies involved in the project are main stakeholders.<sup>b</sup> Beneficiaries and affected people through their village committees will participate in the project design and implementation. All stakeholders will be consulted during the project preparation to ensure the project design corresponds to their needs. Particularly, affected people will be consulted to ensure their voices are heard. Meetings, surveys, and site visits will be main methods for stakeholder consultation and participation.

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?

During the TA implementation, specific stakeholders will be identified for their participation in the project design. Particularly, the project activities that will benefit local people, including the poor and vulnerable people, will prioritize participation of local stakeholders. Since the project may have economic and physical displacement impacts, people to be displaced will be consulted in developing compensation and livelihood restoration measures for them, including the poor and vulnerable displaced people.

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 (N)

Village and neighborhood committees, women's federation, and community groups will participate in project design.

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

The design of livelihood restoration measures for people to be displaced and the design of nonstructural measures that benefit local people will need participation of local stakeholders, including the poor and vulnerable people. The TA will ensure that displaced people and beneficiary groups are consulted adequately.

### 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

It is estimated by the implementing agency that more than 280 hectares of rural collectively owned land will be acquired and/or leased by the Project, and some households need to be relocated during project implementation. More than 6,000 persons will be economically and/or physically displaced by the project. Since the project is at an initial stage, project impacts will be confirmed during the feasibility stage.

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

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

Project area is mainly inhabited by the mainstream Han population. Although ethnic minority migrants due to marriages or employment reasons may be found in the project area, no indigenous communities of ethnic minorities that would trigger ADB requirements on Indigenous Peoples are expected to be present in the project area. The TA will reconfirm this in the feasibility stage.

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

No indigenous communities of ethnic minorities are identified in the project area.

4. What action plan is required to address risks to indigenous peoples as part of the transaction TA 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 (M)    Adhering to core labor standards (M)    Labor retrenchment  
 Spread of communicable diseases, including HIV/AIDS (L)    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 \_\_\_\_\_

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

During the TA implementation, relevant social issues will be assessed, and a social development action plan will be prepared to address potential social risks or issues particularly the local employment, core labor standards, and communicable diseases (e.g., through construction workers).

**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?

- Yes                       No

The TA terms of reference include poverty, social, and gender analysis, and preparation of relevant planning documents, including a resettlement plan, a social development action plan, and a 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 social development and resettlement specialist, a national resettlement and social development specialist will be members of the TA consultant team.

<sup>a</sup> Total population of Huangshan Municipality is 1.49 million, with the rural poverty incidence of 1.38% and urban poverty incidence of 2.68%.

<sup>b</sup> The Huangshan Municipal Government will be the executing agency, and the district and country governments in the municipality will be the implementing agencies, respectively.

Source: Asian Development Bank.