



# Initial Poverty and Social Analysis

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## People's Republic of China: Xiangyang Hubei Elderly Care Service Development with Public– Private Partnership Project

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Asian Development Bank

## **CURRENCY EQUIVALENTS**

(as of 4 February 2019)

Currency unit	–	yuan (CNY)
CNY1.00	=	\$0.148
\$1.00	=	CNY6.745

## **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:	Xiangyang Hubei Elderly Care Service Development with Public-Private Partnership Project
Lending/Financing Modality:	Project	Department/Division:	East Asia Department/Urban and Social Sectors Division

<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 proposed project will support Xiangyang Municipality in Hubei Province of the People's Republic of China (PRC) to demonstrate a model of three-tiered elderly care services and management. It will address demographic and economic challenges of increasing care needs of the rapidly aging population. This is the first project, financed by international financial institutions, to support Xiangyang Municipality to develop a three-tiered elderly care system. It will help the Xiangyang Municipal Government (XMG) to establish a model to deliver adequate care services to the elderly people who need care. The project aligns with PRC's Twelfth Five-Year Plan, 2011–2015<sup>a</sup> and the Hubei Provincial Twelfth Five-Year Plan, 2011–2015 that focus on the development of a three-tiered elderly care services system, and stimulation of investments in the elderly care sector. Under the Xiangyang Municipality's Thirteenth Five-Year Plan, 2015–2020, the XMG also focuses on the development of a three-tiered elderly care system comprising home-based, community-based, and residential-based care services.<sup>b</sup> The XMG further issued the "Policy of Implementation Opinions on Accelerating Elderly Care Service Development" in 2017 to facilitate the establishment of the three-tiered elderly care system.<sup>c</sup> The project is aligned with the ADB's country partnership strategy for the PRC, 2016–2020 and the Operational Plan for Health, 2015–2020 which pays special attention to elderly care system. Further, in line with the ADB's Strategy 2030, the proposed project will develop a demonstration case which is better adapted to the aging society; and will also enhance the private sector's involvement in the elderly care through promoting a public-private partnership, of which experiences will have an impact as an essential knowledge transfer on strengthening the elderly care service provision not only in PRC but in other developing member countries facing challenges in the aging population.<sup>d</sup> The elderly care information and communication technology platform, which will be created under the proposed project (output 3), will further demonstrate digital innovation in the area of elderly care development.</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"/> Non-income MDGs (TI-M1, M2, etc.)</p>
<p><b>C. Poverty and Social Analysis</b></p> <p>1. Key issues and potential beneficiaries. The population is rapidly aging in Xiangyang Municipality, Hubei Province. From 2015 to 2017, annual population increase rate in Xiangyang Municipality was 0.7%, while the annual increase rate of elderly population aged 65+ was 11.9%. The substantial difference between the increase rates of the population and the elderly population indicated that the traditional family support system for the elderly has substantially weakened. Among the urban elderly, there is diversity in care needs and their socioeconomic circumstances. Rapidly increasing elderly population will have adverse impacts on the economy and society. Adequate elderly care facilities and services are critically limited in Xiangyang Municipality to meet its growing demand for elderly care. There was no public or private elderly care institutions in the municipality before 2015, and only three public elderly care institutions existed as of 2017. The number of private elderly care institutions has increased from 2015 and there were 48 private elderly care institutions in 2017. However, the utilization rate of those elderly care institutions has been generally low because the limited experience among elderly care service providers hinders from matching the provided services with the needs. Any improvement in elderly care services will positively impact the elderly people of Xiangyang Municipality regardless of their income and residential locations.</p> <p>2. Impact channels and expected systemic changes. XMG will develop a model of three-tiered elderly care services to be replicated in all districts of Xiangyang Municipality. Also, trained human resources will help provide adequate three-tiered services. Moreover, the private sector will play a key role in elderly care services. The XMG needs to establish implementation guidelines and regulations to ensure adequate service provision to those elderly who need care.</p> <p>3. Focus of (and resources allocated in) the technical assistance (TA) or due diligence. Issues to be reviewed during the project design include (i) adequacy of elderly care services for those elderly who need care, (ii) capacity of the XMG and private sector service providers to deliver adequate three-tiered elderly care, and (iii) needs and concerns of households who look after elderly relatives. Elderly care is still a developing issue; therefore, the project supports the (i) preparation of a strategic plan for the elderly care sector development including an elderly care sector development plan; (ii) development of a policy framework to organize the elderly care sector and ensure adequate</p>

elderly care services; (iii) preparation of a financial framework to ensure sustainability of elderly care services; and (iv) preparation of a strategic plan for human resource development.
<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? The gender dimension of aging is, in many ways, the results of a lifetime accumulation of vulnerabilities. Issues include disparities in lifespans between men and women, in men's and women's financial assets to pay for elderly care services, and existing multigenerational care provider role of women. Potential benefits of the project include human resources development for the elderly care service sector and employment impacts it can trigger making women also beneficiaries. The progressive takeover of elderly care under the project by institutions and the private sector will release women from traditional care system to find employment and earn their own incomes.</p> <p>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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No. A gender action plan will be prepared as part of social development action plan to discuss the above aspects of development.</p> <p>3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No. In fact, it will improve old women's access to elderly care services and the elderly care service provision will release young women from household chores including attending to old people at home, thereby giving them an opportunity to participate in the employment market.</p> <p>4. Indicate the intended gender mainstreaming category:  <input type="checkbox"/> GEN (gender equity) <input type="checkbox"/> EGM (effective gender mainstreaming)  <input checked="" type="checkbox"/> SGE (some gender elements) <input type="checkbox"/> NGE (no gender elements)</p>
<b>III. PARTICIPATION AND EMPOWERMENT</b>
<p>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 project stakeholders are elderly persons, elderly care service providers, health and social care providers, and local government officials (health, civil affairs, labor, social security, education, construction, and finance bureau). Extensive consultation will be conducted with all groups during project design to ensure that their needs and perspectives are adequately addressed by the project.</p> <p>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? A leading group will be established in Xiangyang Municipality to provide strategic guidance to ensure smooth and successful project implementation and coordination of relevant bureaus and agencies to establish the three-tiered elderly care service system that requires an intersectoral approach. The vice mayor of XMG will lead the group.</p> <p>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?  <input checked="" type="checkbox"/> Information generation and sharing <input checked="" type="checkbox"/> Consultation <input type="checkbox"/> Collaboration <input type="checkbox"/> Partnership  Older persons associations and volunteer networks to support the elderly have been and are being created across the PRC. Such networks will be very useful for the project team. They can engage with associations and networks to obtain their views and seek ways to include them in project activities.</p> <p>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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No. Elderly persons will be consulted during the project design on issues such as their needs; views on type, quality, availability and monitoring mechanisms of care services; financial ability, location, and design of facilities.</p>
<b>IV. SOCIAL SAFEGUARDS</b>
<b>A. Involuntary Resettlement Category</b> <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI
<p>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. There will be 14 home-based day-care center and six residential care institutions. It is estimated that each site will require a maximum land area of 1,000 square meter (m<sup>2</sup>). A resettlement plan will be prepared during project preparation. For land that were already acquired, due diligence will be carried out and a due diligence report will be prepared.</p> <p>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</p>
<b>B. Indigenous Peoples Category</b> <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> 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 There are no ethnic minorities in the proposed project areas.</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 project will not affect any ethnic minority group. During project preparation, however, field investigations will be conducted to identify unidentified ethnic minority groups, if any.</p> <p>3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</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 arrangement <input checked="" type="checkbox"/> None</p>
<b>V. OTHER SOCIAL ISSUES AND RISKS</b>
<p>1. What other social issues and risks should be considered in the project design?  <input 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"/> 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? Through project covenants and social development plans including the resettlement plan.</p>
<b>VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT</b>
<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 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</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? International social safeguards specialist; a local poverty, social, and gender specialist; and a local involuntary resettlement specialist will be recruited to prepare the required social and safeguard planning documents.</p>

<sup>a</sup> Government of the PRC, State Council. 2011. *National Economy and Social Development Twelfth Five-Year Plan, 2011–2015*. Beijing.

<sup>b</sup> XMG. 2015. *Xiangyang's Thirteenth Five-Year Plan for The Development of Aged and The Construction of Elderly Care System*. Xiangyang.

<sup>c</sup> XMG. 2017. *Implementation Opinions on Accelerating Elderly Care Service Development*. Xiangyang.

<sup>d</sup> ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila.