



Initial Poverty and Social Analysis

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PRC: Shandong Jiaxiang Smart Water Sector Development Program

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INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	People's Republic of China	Project Title:	Shandong Jiaxiang Smart Water Sector Development Program
Lending/Financing Modality:	Project/Policy-Based	Department/Division:	Urban and Social Sectors Division, East Asia Department

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

<p>A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy</p> <p>The proposed program will contribute to rural vitalization and urban–rural integration in Jiaxiang County in Jining City, Shandong Province by improving selected water infrastructure (water supply, drainage, and wastewater) and delivering sustainable services. The program is aligned with the PRC’s Thirteenth Five-Year Plan for Poverty Alleviation and Development, 2016–2020 and conforms with the PRC’s Thirteenth Five-Year Plan for National Economic and Social Development of the PRC, 2016–2020;^a the National Strategic Plan for Rural Vitalization, 2018–2022; and the Shandong Province’s Thirteenth Five-Year Plan for Economic and Social Development, 2016–2020.^b All these plans prioritize urban–rural integration and coordination development. The Opinions on Implementing Rural Revitalization Strategy by the Central Committee of the Communist Party of China and State Council, 2018 stressed the importance of rural infrastructure improvement to meet the increasing needs of public services in the process of urban–rural economic development and people’s living standard improvement.^c It is also consistent with ADB’s country partnership strategy for the PRC, 2016–2020, which states that ADB will help generate employment, increase incomes, and reduce inequality between urban and rural areas.^d</p>
<p>B. Poverty Targeting</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.) The program is proposed as general intervention. While the poverty rate in Jiaxiang County has decreased significantly, there were 17,485 poor people at the end of 2018. Poverty analysis carried out under the transaction TA will inform the design of pro-poor, inclusive program components.</p>
<p>C. Poverty and Social Analysis</p> <p>1. Key issues and potential beneficiaries. The proposed program will directly impact Jiaxiang County, which is located in the west of Jining City, Shandong Province. The county had a population of 925,500 in 2017, including 342,500 urban residents (37%) and 583,000 rural residents (63%). Jiaxiang County is economically less developed than most other cities in Shandong Province. In 2017, Jiaxiang County ranked 11th in terms of per capita gross domestic product among the 14 districts, counties, and economic development zones under Jining City. As a result of the government’s targeted poverty alleviation program, the poverty rate in Jiaxiang County has decreased significantly. The county had 17,572 poor inhabitants as of the end of 2018; of these, 12,540 were subsidized through the program, with 71.6% of them living on <i>dibao</i> (a minimum living allowance), and 4.9% on a special subsidy for people in extreme poverty. In addition, 4,983 poor people received subsidies from various other sources and 94 are county-level poor who became poor because of unexpected reasons such as sudden diseases, disasters, etc. The main causes of poverty are (i) unexpected illness, physical disability, and chronic diseases; (ii) lack of up-to-date skills and knowledge; (iii) lack of job opportunities; and (iv) poor access to quality public services (such as quality water supply and sewage systems). All people in the 13 townships will be potential beneficiaries of improved drinking water and sewage systems. The urban residents of Jiaxiang County will benefit from the improvement of their living environment as a result of the separation of wastewater and rainwater in city streets.</p> <p>2. Impact channels and expected systemic changes. The program will provide positive impacts by improving access to stable and quality water supply and wastewater services, as well as to public spaces; increasing job opportunities; and improving the urban–rural living environment and health. The transaction TA will help identify potential opportunities, benefits, and proper approaches to incorporate social concerns into program implementation and remain in line with the PRC’s poverty alleviation and development strategy.</p> <p>3. Focus of (and resources allocated in) the transaction TA or due diligence. The transaction TA will (i) collect social and poverty data to assess current water supply and wastewater service needs from a social and poverty perspective; (ii) assess the social and poverty impacts of the program components and help ensure benefits flow to local residents, particularly women, the poor, and ethnic minority individuals (if any); (iii) design program components that are inclusive with respect to these vulnerable groups; (iv) assess the types of employment opportunities and identify effective measures to improve employment opportunities for local people, including the poor, women, and ethnic minority individuals; and (v) assess potential adverse impacts (if any), including affordability of services for program beneficiaries. The transaction TA will allocate inputs consisting of 1 person-month each for international and national gender and social development specialists.</p> <p>4. Specific analysis for policy-based lending. Not applicable.</p>

II. GENDER AND DEVELOPMENT
<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? Women account for 47.6% of the total population in Jiaxiang County. Women and children are more likely to be affected by poor quality drinking water and an unsanitary living environment. Currently, most local residents (both men and women) leave their homes to seek employment in other places, or men go to bigger cities on a short or long-term basis, leaving women at home to care for children or aged parents. More employment opportunities and an improved living environment will contribute significantly to family life and the education of children. The transaction TA will identify the potential of, frameworks for, and approaches to promote women's participation in program implementation to maximize benefits by working closely with women's federations and village committees.</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 The program has some potential to contribute to the promotion of gender equity and/or empowerment of women but this needs further assessment during transaction TA implementation. It is expected that this program will provide chances for women to participate in program design and implementation, which will directly impact the lives of women and their families through increased employment opportunities, and an improved living environment, which will contribute to women's health and wellbeing, and family life. A gender assessment will be conducted by the transaction TA consultant as part of the poverty and social analysis.</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 The program does not anticipate any adverse impacts on women.</p> <p>4. Indicate the intended gender mainstreaming category: <input type="checkbox"/> GEN (gender equity) <input checked="" type="checkbox"/> EGM (effective gender mainstreaming) <input type="checkbox"/> SGE (some gender elements) <input type="checkbox"/> NGE (no gender elements)</p>
III. PARTICIPATION AND EMPOWERMENT
<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. The main stakeholders include (i) local residents (particularly the rural poor, women, and other vulnerable people) in Jiaxiang County who will benefit from improved access to services, a better living environment, and increased job opportunities during construction and operation; (ii) residents living downstream who will benefit from reduced water pollution, and a healthier, safer environment; (iii) the state-owned Jiaxiang City Construction Group Co. Ltd.; (iv) small and medium-sized enterprises that will supply clean water and manage wastewater; and (v) local governments and their line agencies that will be responsible for revitalizing rural areas, thereby attracting more people to stay and work in the county, and contributing to better development. The program will have a consultation and participation strategy to ensure meaningful consultation with all key stakeholders and timely delivery of program-related information to communities, program-affected households, and all relevant stakeholders.</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? The design and construction of water supply, wastewater treatment, and reservoir infrastructure will incorporate the views of the local people, including the poor, women, ethnic minority individuals, and other collaborating agencies engaged in development activities. Local people's wishes, needs, and appeals will be incorporated into the program design as applicable, and in a timely manner.</p> <p>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? Village Committee. <input checked="" type="checkbox"/> Information generation and sharing (M) <input checked="" type="checkbox"/> Consultation (H) <input type="checkbox"/> Collaboration <input type="checkbox"/> Partnership Extensive consultation with stakeholders will be necessary. Socioeconomic surveys, focus group discussions, and key informant interviews are planned under the social and poverty assessment. Consultations will be conducted with regard to resettlement, environment, and social safeguards. Relevant civil society organizations will be identified during transaction TA implementation and their potential participation will be explored. The transaction TA team will work closely with village committees, women's federations, and various agricultural cooperatives.</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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No The program will take into account the needs of the poor when designing reservoirs and water supply and wastewater treatment infrastructure and services so that the program benefits can be maximized. Extensive consultation with various groups (particularly women, the poor, and vulnerable people) is also critical for program implementation and monitoring. Key documents, such as the social development action plan, gender action plan, and resettlement plans will outline the process of consultation and participation. Loan assurances will address implementation and monitoring of these plans. Local people will be consulted during the transaction TA implementation and preliminary design. The transaction TA will conduct an initial poverty and social analysis and address social safeguards issues through a socioeconomic survey, stakeholder workshops, focus group discussions, and key informant interviews.</p>
IV. SOCIAL SAFEGUARDS
<p>A. Involuntary Resettlement Category <input checked="" type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p>

<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</p> <p>The program is expected to be classified category A for involuntary resettlement. Construction of new sewage treatment stations for towns and villages and sewage pumping stations will require land acquisition. House demolition and impacts to residential lands are anticipated, as several of the components are located within urban areas. The borrower will seek to avoid and minimize physical and economic displacement impacts as part of the feasibility studies.</p> <p>2. What action plan is required to address involuntary resettlement as part of the transaction TA or due diligence process?</p> <p><input checked="" type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix</p> <p><input checked="" type="checkbox"/> Environmental and social management system arrangement (for policy-based loan) <input type="checkbox"/> None</p>
<p>B. Indigenous Peoples Category <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p> <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 Ethnic minorities account for 0.31% of the total population in Jiexiang County. The dominant group (Hui) lives mainly in three villages that will not be directly impacted by the proposed program. The program will not directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples. It is envisaged that ethnic minority individuals can benefit equally from employment opportunities provided by the program during construction and operation.</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 program will not affect the territories or natural and cultural resources of the ethnic minorities in the program area. The transaction TA needs to confirm if there are ethnic minority individuals in the areas impacted by the program, and if they are more vulnerable than the mainstream population; if this is the case, proper measures will be taken to address the issue.</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</p> <p><input checked="" type="checkbox"/> Environmental and social management system arrangement (for policy-based loan) <input type="checkbox"/> None</p>
<p align="center">V. OTHER SOCIAL ISSUES AND RISKS</p> <p>1. What other social issues and risks should be considered in the project design?</p> <p><input checked="" type="checkbox"/> Creating decent jobs and employment (L) <input checked="" type="checkbox"/> Adhering to core labor standards (M) <input type="checkbox"/> Labor retrenchment</p> <p><input checked="" type="checkbox"/> Spread of communicable diseases, including HIV/AIDS (L) <input checked="" type="checkbox"/> Increase in human trafficking (L) <input checked="" type="checkbox"/> Affordability (L)</p> <p><input type="checkbox"/> Increase in unplanned migration <input type="checkbox"/> Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability</p> <p><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?</p> <p>The additional social issues and risks will be addressed under the social development action plan.</p>
<p align="center">VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT</p> <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?</p> <p>The transaction TA will engage (i) gender and social development specialists (1 person-month input each for the international and national consultants) to undertake poverty, social, and gender analysis; and (ii) resettlement specialists (1.5 person-months of international and 3 person-months of national consultant inputs).</p>

ADB = Asian Development Bank, PRC = People's Republic of China, TA = technical assistance.

^a PRC, State Council. 2016. *Thirteenth Five-Year Plan for Poverty Alleviation and Development*. Beijing; and PRC, State Council. 2016. *Thirteenth Five-Year Plan for National Economic and Social Development of the People's Republic of China*. Beijing.

^b Government of the PRC, Central Committee of the Communist Party of China and State Council. 2018. *National Strategic Plan for Rural Vitalization, 2018–2022*. Beijing; and Shandong Provincial Committee of the Communist Party of China. 2015. *Thirteenth Five-Year Plan on Provincial Economic and Social Development, 2016–2020*. Jinan.

^c Government of the PRC, Central Committee of the Communist Party of China and State Council. 2018. *Opinions on Implementing Rural Revitalization Strategy*. Beijing.

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

Source: ADB.