



Preliminary Poverty and Social Analysis

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People's Republic of China: China Education Group Climate Adaptive Education Project

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 1 April 2024)

Currency unit	–	yuan (CNY)
CNY1.00	=	\$0.1384945641
\$1.00	=	CNY7.2205

ABBREVIATIONS

ADB	–	Asian Development Bank
CEG	–	China Education Group Holdings Limited
EGM	–	effective gender mainstreaming
FY	–	fiscal year
PRC	–	People’s Republic of China
SPS	–	Safeguard Policy Statement
Yantai	–	Yantai Institute of Science and Technology

NOTES

- (i) The fiscal year (FY) of China Education Group Holdings Limited ends on 31 August. The FY of Yantai Institute of Science and Technology ends on 31 December. “FY” before a calendar year denotes the year in which the fiscal year ends, e.g., FY2024 ends on 31 August 2024.
- (ii) In this report, “\$” refers to United States dollars.

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PRELIMINARY POVERTY AND SOCIAL ANALYSIS

Country:	People's Republic of China	Project Title:	China Education Group Climate Adaptive Education Project
Lending/Financing Modality:	Corporate Finance	Department/Division	Private Sector Operations Department Office of the Director General

1. Poverty Analysis

The annual number of college-educated young workers with college education in the People's Republic of China (PRC) increased from 0.95 million to 7.53 million between 2000 and 2018.¹ According to the government report by the Ministries of Education, Human Resources, and Industry, the top 10 manufacturing sub-sectors will see nearly 30 million manufacturing jobs go unfilled by 2025.² Traditional universities in the country focus on research, which may not have industry skills or vocational experience needed by the market. To address this, the government aims to accelerate the expansion of the vocational education system and produce at least 2 million highly skilled workers annually by 2025.³ The project will help to produce a skilled workforce by training additional students and offering new courses. The Yantai Institute of Science and Technology (Yantai) was founded in 2005 and was acquired by a consolidated affiliated entity of China Education Group Holdings Limited (CEG) in 2019. Yantai has partnerships with employers that cover internships, curriculum design, and employment.

2. Poverty targeting

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

980,000 students took the gaokao in Shandong province in 2023, the 2nd largest in the country.⁴ The current campus of Yantai is being stretched to capacity. Dormitory bed utilization in Yantai has been more than 90% in 2023. Without the project, the additional students would only reach the upper secondary level. Admission to other universities within Shandong is fiercely competitive, and entry requires high gaokao results due to academic competition.⁵ Students could find other universities outside Shandong, but the transportation and relocation costs could be prohibitive. The project also helps students coming mainly from rural areas. Around 70% of the students of Yantai are from rural or farming areas.

3. Preliminary assessment of the project's impact channels

The loan will provide long-term financing needed by Yantai since higher educational institutes have high capital expenditure and usually need at least 4 years to reach full

¹ H. Wan, C. Yoo, and I. Choo. 2020. [Educational Mismatch and Job Satisfaction in China](#). Journal of Applied Economics and Business Research, 10(3): pages 131–147.

² Ministry of Industry and Information. 2017. [Manufacturing Talent Development Planning Guide](#). February 24.

³ Z. Li. 2021. [What is the Future of China's Vocational School Drive](#). The Diplomat. December 28.

⁴ Essential Network for College Students. 2023. [The number of applicants for the 2023 Shandong College Entrance Examination was 980,000 \(including the 2021–2022 calendar year\)](#). News release. 7 June (in Chinese).

⁵ Y. Ding, Y. Wu, and X. Ye. 2021. [The Elite Exclusion: Stratified Access and Production During the Chinese Higher Education Expansion](#). Higher Education, volume 82, pages 323–347.

capacity. The loan proceeds will fund the construction and operation of the new green campus of Yantai school and CEG refinancing needs. It will decongest the existing campus and will accommodate more students who would otherwise find it difficult to avail themselves of higher vocational education. The project could indirectly enable employment since the curricula and program of Yantai are geared towards what the industry needs. Yantai has more than 94 partnerships with employers that cover internships, curriculum design, and employment. The multifaceted collaboration is reflected in Yantai high graduate employment rate and admission cut-off points, both above provincial standards and peers.

4. Social Analysis

Social analysis will include compliance with Safeguard Requirements on IR and IP, compliance with Social Protection Requirements, contractor and supplier management, gender analysis, stakeholder engagement, and grievance redress mechanism.

4.1 Gender and Development

The PRC's longstanding emphasis on education as a core driver of development has led to increased investment and improved educational opportunities for both genders.⁶ Notably, the PRC ranks first globally in the Global Gender Index for tertiary education with more women than men attaining higher education.⁷ Likewise, the number of female students in higher vocational colleges reached 7.481 million in 2021, accounting for 47% of the total enrolment.⁸ Despite the narrowing gender gap in school enrollment, disparities persist in terms of major selections, academic achievements, and educational returns. These gender differences are suggested to be influenced by families' educational expectations for children of different genders, gender discrimination in employment opportunities, and gender stereotypes embedded in social values.⁹

In the pursuit of gender equality in education, schools play a pivotal role in promoting awareness, understanding, and practices that support equality. However, the issue of school-related violence, including sexual harassment, remains a challenge in the PRC, where sexual harassment has historically been a topic shrouded in obscurity. Nevertheless, numerous instances of college students becoming victims of sexual harassment have been reported. While campus sexual harassment is underreported, research conveys the concern of limited awareness of this issue and the lack of effective redress mechanisms.¹⁰ A study indicates that teachers, who possess academic resources and wield academic power, are frequently identified as the primary perpetrators of sexual harassment, while students are the most common victims. Gender disparities exist among the perpetrators, with a higher proportion of male teachers involved.¹¹

⁶ The State Council Information Office of the People's Republic of China. 2019. [Equality, Development and Sharing: Progress of Women's Cause in 70 Years Since New China's Founding](#).

⁷ World Economic Forum. 2023. [Global Gender Gap Report 2023](#). Geneva.

⁸ National Bureau of Statistics of the PRC. 2023. [Statistical Monitoring Report of China National Program for Women's Development \(2021-2030\) in 2021](#).

⁹ Fan, P. 2022. [Gender Difference in Higher Education in China and its Influencing Factors](#). In 2022 6th International Seminar on Education, Management and Social Sciences (ISEMSS 2022) (pp. 2448-2455). Atlantis Press.

¹⁰ Wang, X., Ling, J., & Jin, Y. 2019. A study on the current situation of sexual harassment and sex differences in universities. *Journal of China Women's University*, 31(05).

¹¹ P. Chen, N. Yang. 2006. Analysis of the Reason of Sexual Harassment Behavior. *Journal of Heilongjiang Administrative Cadre Institute of Politics and Law*, 53(02) 67–69.

The proposed project has the potential to contribute to the promotion of gender equality notably by enhancing female students' and female staff's safety at the project's sites. The proposed project intends to achieve effective gender mainstreaming (EGM) categorization and gender due diligence will explore measures aimed at developing gender-inclusive campuses, increasing the school's responsiveness to provide a safe and respectful education environment to students, introducing inclusive human resource practices for greater women's participation, and raising gender awareness among students and staff.

4.2 Participation and Empowering the Poor

The main stakeholders of the project are CEG and Yantai employees, Yantai students, local authorities, displaced persons due to land acquisition, and the surrounding communities. Yantai conducted consultation activities with local authorities and potentially affected persons before the selection of the site for the new Yantai campus. A series of consultation activities will be conducted with local authorities and affected persons will be conducted to inform the public of the potential impacts of the proposed projects, determine appropriate compensation and relocation for affected persons based on national laws and local requirements, and identify any additional support that may be provided by the project. CEG will engage a third-party consultant to assess social impacts, identify mitigation measures, and conduct further validation and consultation activities per ADB SPS. A resettlement framework, stakeholder engagement plan, and grievance redress mechanism will be developed to ensure that all stakeholders can participate in the implementation of the project. There is no civil society organization in the area, but the interests of community members are supported by the village committee.

4.3 Social Safeguards

The project will result in physical and economic displacement and will be categorized as B for involuntary resettlement. A total of 22.6 hectares of rural collective land will be converted for educational use. 90 villagers in 49 households will be economically displaced while 1 household with 5 members will be relocated. The project will provide compensation for the land, standing crops and structures, and resettlement subsidy through the Yantai Economic and Technological Development Zone and the village committee. Meanwhile, affected persons will receive (i) one-time monetary compensation; (ii) social security subsidy; and (iii) skills training program for economically affected individuals. One household will be relocated to a different township and will be provided with a replacement house and monetary compensation based on local regulations. While awaiting final relocation, the affected family will stay in a rental house and will receive transition payment. A resettlement plan with clear monitoring requirements will be developed to ensure that the livelihoods of displaced persons are enhanced or at least restored to pre-project levels.

There are no reported distinct and vulnerable Indigenous Peoples in the area and the project will be categorized as C for IP.

4.4 Other Social Issues and Risk

Adherence to core labor standards will be considered in the design during the construction and operations of the Yantai school. HR and contractor and supplier management policies and procedures will be reviewed, and if necessary, enhanced to fully comply with national laws and ADB Social Protection Requirements.

5. Social Plans to be Developed as part of the Poverty and Social Analysis

Due diligence will include a review of environmental and social policies, including risk screening, categorization, and management, compliance with national labor laws and core labor standards, stakeholder engagement, grievance redress mechanism, and monitoring and reporting. Given the foreseen displacement, a resettlement plan, stakeholder engagement plan, and grievance redress mechanism will be developed.

6. Transaction Due Diligence Resource Requirement

OSPP Safeguards Team will review CEG and Yantai environmental and social policies and procedures, and how these are applied in existing operations and the new campus. A mission will be conducted together with a qualified and experienced external consultant. The team will identify gaps against ADB SPS and Social Protection Requirements and agree with the client on the corrective actions.