

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	People's Republic of China	Project Title:	Yunnan Sustainable Road Maintenance (Sector) Project
Lending/Financing Modality:	Sector loan	Department/Division:	East Asia Department/Transport Division

I. POVERTY ANALYSIS AND STRATEGY

Targeting classification: General Intervention

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

The project is in line with ADB country partnership strategy for the People's Republic of China (PRC) for 2011-2015.¹ It also aligns with the PRC's national poverty reduction strategy, which envisages accelerated development of the country's poorer provinces to achieve socially inclusive and regionally -balanced economic growth. The development and improvement of such transport infrastructure as provincial highways and rural roads to facilitate interprovincial and regional trade and improve the access of communities to emerging centers of employment and regional markets are part of this strategy. The project also contributes to ADB's Sustainable Transport Initiative Operational Plan, which seeks to increase ADB support for road maintenance and road safety. The project will help achieve these goals by establishing and improving road transport capacity and enhancing road asset management, including the maintenance of local highways and rural roads.

B. Results from the Poverty and Social Analysis during PPTA or Due Diligence

1. **Key poverty and social issues.** A poverty and social impact analysis was undertaken in accordance with ADB guidelines. Yunnan is one of the poorer provinces in the PRC. Based on the revised 2011 national rural poverty line of CNY 2,300, 10.14 million people are poor in rural Yunnan. The poverty rate is 27.1% in rural areas, much higher than the national poverty rate of 16 %.

2. **Beneficiaries.** A socioeconomic survey undertaken indicates that most of the rural poor have limited productive land and lack other livelihood assets, such as capital and professional skills. Their living standards are low in terms not only of income and expenditure levels but non-income indicators as well. Their situation is often worsened by harsh geographic and climatic conditions. The poor tend to live in remote mountainous areas with difficult terrain and climatic conditions prone to drought and flood. The isolation of rural inhabitants often prevents them from benefiting from overall economic growth. Natural disasters can force them into the poverty cycle. Underdeveloped transport infrastructure and services add to these problems. Poor road conditions limit their ability to trade their farm products, seek employment, and gain access to services such as health and education. Poor roads reduce the availability and quality of the public transport services on which the poor depend most. The poverty and social analysis (PSA) indicates a close correlation between poor transport facilities and poverty incidence. Poor road conditions constrain the ability of local people to diversify their income earning opportunities. Poor road conditions impede trade in agricultural products, including the particularly important timely transport of goods. Poor road quality also adds to the input costs for farmers and reduces their profit margins. Bad roads restrict access by local communities to public transport services, which is particularly hard on the poor and women, who are the main users of public transport. Road safety issues are crucial too. Increasing traffic and a lack of good road safety signs at most intersections are identified as key factors causing or increasing unsafe road conditions.

3. **Impact channels.** The project area beneficiaries are overwhelmingly rural and will benefit from better conditions and travel times on roads, which will improve their access to markets and services, reduce their farm input prices, and provide them with new employment opportunities. The project improvements will also facilitate household travel for social purposes, such as visiting family and friends or accessing health and educational facilities. Users will have access to safer roads and safer transport options due to the project's transport safety management measures.

4. **Design features.** Maintenance programs for the roads will focus on repair of road surfaces, without road reconstruction or widening. This will include asphalt concrete overlay and pavement reconstruction and drainage systems repairs or reconstruction. The project's design includes road safety measures to ensure that the improved road conditions and increased traffic volume and speed it will enable do not result in more accidents. The safety design features include installation of signs and markings, safety measures for bends, and roadside safety treatment and traffic calming features.

The project is designed to ensure minimal land acquisition and relocation impacts. The subprojects to be implemented in its first year were fully surveyed. Due diligence investigations confirmed that all of the first year

¹ ADB. 2012. *Country Partnership Strategy: People's Republic of China, 2011–2015*. Manila.

projects would not involve displacement of people from land, housing, or roadside shops and businesses, or negatively affect sources of income and livelihood. The one potential resettlement issue, associated with the temporary occupation of wasteland was resolved by making alternative arrangements. The potential impacts of subsequent phases will need to be investigated. A resettlement framework and a sample resettlement plan were prepared to guide project implementation in the event involuntary resettlement occurs. The framework provides the necessary guidelines to screen, categorize, and manage social safeguard issues during the development and implementation of the subsequent subprojects.

Several potential social risks arising from the project have been identified. A lack of public consultation and information disclosure could result in unforeseen disruption of access and services, leading to loss of perishable farm products. Poor site management during works, such as a lack of site cleanup or the blocking of drainage systems, could disturb local communities. Inadequate drainage and/or an increase in the height of pavement after road rehabilitation could lead to flooding of houses close to roads. Improved road conditions could lead to heavier traffic and higher road speeds, creating safety issues. The project could increase the risks of communicable diseases, HIV/AIDS, and human trafficking during construction, particularly in border areas such as Dehong Prefecture (road section G320b).

A social development action plan (SDAP) has been prepared to enhance social benefits and mitigate potential social risks. The SDAP will ensure that the project design measures are adequately implemented and facilitate transport accessibility, including affordable transport services for the poor villagers. The inclusion of public transport service improvement measures in the plan, including a measure to make public transport services more frequent, will benefit women, who are the primary users of public transport.

C. Poverty Impact Analysis for Policy-Based Lending—NA

II. PARTICIPATION AND EMPOWERING THE POOR

1. Summarize the participatory approaches and the proposed project activities that strengthen inclusiveness and empowerment of the poor and vulnerable in project implementation.

Stakeholder analysis was conducted during the project preparatory technical assistance. Various consultation and participatory methods and approaches were used in conducting the poverty and social analysis, including participatory rapid appraisal; a socioeconomic survey of 201 households; consultations, meetings and workshops; 35 focus group discussions with different local road users; and 28 key informant interviews with village leaders. The main local road users are farmers, small business operators, transport service providers, traders, workers in small enterprises, and students.

2. If civil society has a specific role in the project, summarize the actions taken to ensure their participation.

3. Explain how the project ensures adequate participation of civil society organizations in project implementation.

4. What forms of civil society organization participation is envisaged during project implementation?

Information gathering and sharing (M) Consultation (M) Collaboration Partnership

5. Will a project level participation plan be prepared to strengthen participation of civil society as interest holders for affected persons particularly the poor and vulnerable?

Yes. No.

Consultations and participation plan measures are specified in the resettlement framework and the SDAP and will be implemented in stages during project implementation. Consultation will be conducted to inform people about the project and activities related to its preparation and implementation. The consultations will enable the concerned stakeholders to ask questions, make suggestions, state preferences, and express concerns. Special attention will be paid to the participation of the poor, women, ethnic minorities, and the people possibly affected by land acquisition and resettlement. A project grievance redress mechanism will also be established.

III. GENDER AND DEVELOPMENT

Gender mainstreaming category: some gender elements

A. Key issues. Women make up 48.2% of Yunnan's total population. The PSA indicates that women on average have less education than men. Their main occupation is farming. Within the province's households and particularly in those within the many ethnic minority groups, men dominate decision making. The influence of women in decision making is also limited at the community level. The transport needs of women differ from those of men. Among other things, they are responsible for transporting goods to and from market, going to hospitals to accompany elders and children, and traveling to seek job opportunities to meet increasing cash demands of the household. Women see road safety as a major concern. They are responsible for dropping children off at school and picking them up. Women depend mainly on public transport for mobility and thus are badly affected by poor road conditions.

B. Key actions.

Gender action plan Other actions or measures No action or measure

Women were involved in consultation processes during the project design. They will be involved during implementation of the SDAP, which will address some of the issues identified in the PSA. Better road conditions will improve access by women to markets and services, including better transport facilities. Women will be actively

<p>engaged in the public education and awareness programs aimed at improving road safety. At least 40% of the participants will be women. Women will also participate in monitoring these programs, since they express greater concern about safety than men. The Executing Agency will also ensure that at least 20% of the non-skilled jobs generated by the project will be provided to local women.</p>											
IV. ADDRESSING SOCIAL SAFEGUARD ISSUES											
<p>A. Involuntary Resettlement Safeguard Category: <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p>											
<p>1. Key impacts. Limited impact. The project will have minimal involuntary resettlement impact as most road rehabilitation works will be confined to the existing right-of-way without need for land acquisition or house demolition. A due diligence of the subprojects to be implemented in the first year of the project confirmed no resettlement would take place.</p>											
<p>2. Strategy to address the impacts. A resettlement framework has been prepared in accordance with government regulations and ADB's Safeguard Policy Statement (2009). If subsequent phases result in impacts, resettlement plans will be prepared by YHAB and submitted to ADB for review and clearance prior to award of civil works contracts.</p>											
<p>3. Plan or other Actions.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;"><input type="checkbox"/> Resettlement plan</td> <td style="width: 50%; border: none;"><input type="checkbox"/> Combined resettlement and indigenous peoples plan</td> </tr> <tr> <td style="border: none;"><input checked="" type="checkbox"/> Resettlement framework</td> <td style="border: none;"><input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> Environmental and social management system arrangement</td> <td style="border: none;"><input type="checkbox"/> Social impact matrix</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> No action</td> <td></td> </tr> </table>		<input type="checkbox"/> Resettlement plan	<input type="checkbox"/> Combined resettlement and indigenous peoples plan	<input checked="" type="checkbox"/> Resettlement framework	<input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework	<input type="checkbox"/> Environmental and social management system arrangement	<input type="checkbox"/> Social impact matrix	<input type="checkbox"/> No action			
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<p>B. Indigenous Peoples Safeguard Category: <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p>											
<p>1. Key impacts. No impact. Based on the project preparatory technical assistance, no significant adverse impacts on ethnic communities, as defined under ADB safeguards, are expected.</p>											
<p>Is broad community support triggered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>											
<p>2. Strategy to address the impacts. No action required</p>											
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V. ADDRESSING OTHER SOCIAL RISKS											
A. Risks in the Labor Market											
<p>1. Relevance of the project for the country's or region's or sector's labor market. Low (L) <input type="checkbox"/> unemployment <input checked="" type="checkbox"/> underemployment (L) <input type="checkbox"/> retrenchment <input checked="" type="checkbox"/> core labor standards (L)</p>											
<p>2. Labor market impact. Limited impact. Employment of local people will be encouraged and labor standards of the PRC will be followed.</p>											
<p>B. Affordability. No direct impact. The rehabilitated project roads will be non-tolled highways.</p>											
C. Communicable Diseases and Other Social Risks											
<p>1. Indicate the respective risks, if any, and rate the impact as high (H), medium (M), low (L), or not applicable (NA): <input checked="" type="checkbox"/> Communicable diseases (L) <input checked="" type="checkbox"/> Human trafficking (L) <input type="checkbox"/> Others (please specify) _____</p>											
<p>2. Describe the related risks of the project on people in project area. The SDAP includes activities designed to minimize any potential exposure to the HIV/AIDS and human trafficking risks</p>											
VI. MONITORING AND EVALUATION											
<p>1. Targets and indicators: social indicators are designed and included in the SDAP for monitoring and evaluation of social development activities and their impacts.</p>											
<p>2. Required human resources: the project will set up an environmental, safety and social unit in the Yunnan Highway Administration Bureau to coordinate activities and monitor results. The project management consulting firm includes a social specialist.</p>											
<p>3. Information in PAM: the PAM describes the SDAP, institutional arrangements and monitoring mechanisms</p>											
<p>4. Monitoring tools: quarterly reports, annual review missions</p>											

Source: ADB