

INITIAL POVERTY AND SOCIAL ANALYSIS

Country/Project Title:	PRC: Yunnan Sustainable Road Maintenance Project		
Project Number:	45030-02		
Month/Year	November 2011		
Lending/Financing Modality:	Project Loan	Department/ Division:	East Asia Department/ Transport Division

I. POVERTY ISSUES

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

Yunnan is one of the poorest provinces of the PRC. Yunnan is situated in the far southwest of the PRC spanning 394,000 square kilometers (km²) and with a population of 45.7 million. More than 66% of its population is rural, Yunnan's per capita gross domestic product (GDP) was only 52% of the national average in 2009. The official rural poverty incidence in Yunnan was 15% (this is based on the national poverty line of CNY 1,196 per capita per year in PRC, which is well below the international poverty line of \$1.25 per capita per day), well above the national average of 4.2%. Yunnan is a landlocked province, located in the southwest of the PRC, bordering Vietnam, Lao and Myanmar. About 94% of its terrain is mountainous. With a high elevation and low latitude, the average annual rainfall ranges from 600 millimeters (mm) to 2,300 mm and average daily temperatures from 8°C to 27°C. The rugged terrain has been a barrier to the economic growth and has made it particularly costly to provide basic road access and essential social services to the scattered rural population.

The poor quality of the local road network constricts growth in the rural areas. Only 36% of Yunnan's ordinary road network is in good condition, a low level by PRC standards. On one third of the network, the very poor condition of the pavement severely reduces access quality and safety and raises transport costs. Vehicle speed on many paved roads has fallen to 10-20 km per hour. The main produce of Yunnan – i.e., grain, oil-bearing crops, sugar cane, tobacco, fruits, tea and meat, some of which require prompt transportation to markets is seriously affected by this poor condition of the roads. In addition, the poor road situation also hinders the efficient movement of people, and hinders the development of higher income-generating activities and people's access to social and economic facilities and services.

The Project is aligned with PRC's 2008–2010 country's partnership strategy (CPS) with its focus on lesser advanced provinces), the draft 2011–2015 CPS, through its focus on inclusive and sustainable growth, and with ADB's Sustainable Transport Initiative, with its support for road safety and maintenance.

B. Targeting Classification

1. Select the targeting classification of the project:

General Intervention

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

2. Explain the basis for the targeting classification:

The Project will contribute to poverty reduction by creating construction jobs for the local population in the short-medium term. The Project will improve access to the markets for Yunnan's cash crops, providing jobs and income-generating opportunities for the people, in addition to improving people's access to social services.

C. Poverty Analysis

1. If the project is classified as TI-H, or if it is policy-based, what type of poverty impact analysis is needed? NA

2. What resources are allocated to the project preparatory TA and due diligence?

Funds to conduct a detailed social and poverty analysis are allocated. The social and poverty analysis will identify how the Project can help reduce poverty by incorporating specific measures in its scope.

3. If GI, is there any opportunity for pro-poor design (e.g., social inclusion subcomponents, cross subsidy, pro-poor governance, and pro-poor growth)?

This will be examined in the social and poverty analysis and included in a social development action plan (SDAP).

II. SOCIAL DEVELOPMENT ISSUES

A. Initial Social Analysis

Based on existing information:

1. Who are the potential primary beneficiaries of the project? How do the poor and the socially excluded benefit from the project?

The primary beneficiaries of the Project are the rural population, especially farming households; business people and traders, including transport operators, both in Yunnan and in adjoining provinces; and various government agencies including YHAB and its employees. Further social and poverty analysis during the PPTA will identify measures to support the poor and the socially excluded benefit from the ensuing project.

2. What are the potential needs of beneficiaries in relation to the proposed project?

The local people whose livelihood rests heavily on timely and cost effective transportation of their produce to various markets, including markets in member countries of the Greater Mekong Sub-region (GMS), need a reliable and affordable transport system which includes good provincial and national roads.

3. What are the potential constraints in accessing the proposed benefits and services, and how will the project address them?

No clear constraints are identified at the time of preparing this concept paper. But, this will be examined by the PPTA consultant in the social and poverty analysis. If there are constraints, measures will be formulated and included in the SDAP.

B. Consultation and Participation

1. Indicate the potential initial stakeholders.

The local government, farmers, trading companies, transport companies, small local businesses, and residents.

2. What type of consultation and participation (C&P) is required during the project preparatory TA or project processing (e.g., workshops, community mobilization, involvement of nongovernment organizations and community-based organizations, etc.)?

Community meetings and consultation with stakeholders will be conducted to discuss the project design.

3. What level of participation is envisaged for project design?

Information sharing Consultation Collaborative decision making Empowerment⁷

4. Will a C&P plan be prepared? Yes No Please explain.

C&P plans will be prepared as part of the SDAP.

C. Gender and Development

1. What are the key gender issues in the sector and subsector that are likely to be relevant to this project or program?

Employment opportunities for women will occur during and, possibly even after, project completion (e.g., women collectives could be contracted by the government to continue with regular road maintenance work following completion of the Project). Improved and safer rural roads network will facilitate women's mobility and will enhance their access to better educational, health and economic opportunities. Specific measures to ensure these benefits will be included in the SDAP.

2. Does the proposed project or program have the potential to promote gender equality and/or women's empowerment by improving women's access to and use of opportunities, services, resources, assets, and participation in decision making? Yes No Please explain.

Women will have improved access to employment opportunities and to social services. Enhanced spatial mobility and access to various opportunities have the potential to promote women's empowerment. Further social and poverty analysis during the PPTA will identify specific measures to promote women's participation in the employment opportunities, and their participation in the consultation process, etc.

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

Yes No Please explain.

An improved road network system and exposure to the influx of external laborers could contribute to the incidence of human trafficking and HIV/AIDS. However, the risks of HIV/AIDS and human trafficking are much lower for this project, as these are existing roads using small but skilled and locally based road maintenance crews.

III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS			
Issue	Nature of Social Issue	Significant/Limited/ No Impact/Not Known	Plan or Other Action Required
<u>Involuntary Resettlement</u>	Maintenance work will be confined within the existing rights-of-way. Need to ensure that periodic maintenance does not cause permanent or temporary impacts on adjacent lands/property.	Limited or no impact.	<input checked="" type="checkbox"/> Resettlement Plan <input checked="" type="checkbox"/> Resettlement Framework
<u>Indigenous Peoples</u>	The whole population of the province will benefit from the Project, including ethnic minorities (which comprise 50% of the population)	Limited positive impact. Road maintenance works are not expected to have impacts specific to indigenous people.	<input checked="" type="checkbox"/> No Action
Labor <input checked="" type="checkbox"/> Employment Opportunities <input type="checkbox"/> Labor Retrenchment <input checked="" type="checkbox"/> Core Labor Standards	Unskilled labor in the project area will be tapped. Core labor standards need to be monitored.	Limited.	<input checked="" type="checkbox"/> Other Action (SDAP)
Affordability	Transportation costs will be reduced.	Positive impact	<input checked="" type="checkbox"/> No Action
Other Risks and/or Vulnerabilities <input checked="" type="checkbox"/> HIV/AIDS <input checked="" type="checkbox"/> Human Trafficking <input type="checkbox"/> Others (conflict, political instability, etc.), please specify	Risks of communicable diseases and human and drug trafficking are low under the project. Previous experience has shown that measures can be taken to mitigate these risks.	No impact.	<input checked="" type="checkbox"/> Other Action (SDAP)
IV. PROJECT PREPARATORY TECHNICAL ASSISTANCE/DUE DILIGENCE RESOURCE REQUIREMENT			
<p>1. Do the terms of reference for the project preparatory TA (or other due diligence) include poverty, social, and gender analysis and the relevant specialist(s)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please explain why. Social specialists on the PPTA consultant team will be responsible for social, poverty, and gender analysis.</p> <p>2. Are resources (consultants, survey budget, and workshop) allocated for conducting poverty, social, and/or gender analysis, and C&P during the project preparatory TA or due diligence? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please explain why.</p>			