

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country: PRC Project Title: Jilin Urban Services Improvement Project

Lending/Financing Modality: Project Department/Division: EARD/EASS

### I. POVERTY ISSUES

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

Baishan and Baicheng are prefecture-level cities with populations of 480,000 and 340,000, respectively. They are both located in multi-ethnic areas, which are among the poorest and most remote regions of Jilin Province, with an annual net income per capita for rural residents of 7,300 CNY and 5,500 CNY respectively, both below the provincial average. Baicheng City is located at the border with Inner Mongolia and includes three national poverty counties. In Baicheng prefecture, the two main ethnic groups are Mongol and Manchu. Ethnic minorities make up approximately 4% of the city population. Baishan City is located in a remote area at the border with North Korea. In Baishan prefecture, the two main ethnic groups are Korean and Manchu. In Baishan city, ethnic minorities make up approximately 4% of the population. The proposed project investments in infrastructure and environmental improvements for Baishan and Baicheng cities will support balanced and inclusive development of Jilin Province and reduce the gaps between urban and rural areas. It will benefit both cities' inhabitants and surrounding areas, providing a healthier environment and boosting employment opportunities for rural migrants. The project is focused on urban environmental improvement, including improvement of water supply, urban roads and associated facilities, and reduction and disposal of urban solid waste to improve living conditions. The project will increase employment opportunities, which will be of direct benefit to urban inhabitants.

The project supports the Peoples Republic of China's (PRC) regional balanced development strategy, the PRC's national policy of the Northeast China Old Industrial Bases Economic Redevelopment Program and national poverty reduction strategy for development of the northeastern region. The project is consistent with the PRC's Twelfth Five-Year Plan (2011–2015) at both national and provincial levels, which promotes environment-friendly and resource-efficient urban development, supports the development and reform of northeast provinces, and promotes the development of small- and medium-size cities. The project is consistent with the Asian Development Bank's (ADB) Strategy 2020 and PRC's country partnership strategy (2011–2015), which supports urban sector investments as a dynamic engine of economic development and employment creation, innovation, and inclusive growth.

#### B. Targeting Classification

General Intervention  Individual or Household (TI-H)  Geographic (TI-G)  Non-Income MDGs (TI-M7)

#### 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 in the PPTA/due diligence? 2 person-months of international and 2 person-months of national expert.

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)? Project preparatory technical assistance (PPTA) consultants will conduct poverty and social assessments and related social analyses to analyze the impact of the project on the poor and identify pro-poor design and implementation opportunities. Main activities include (i) improved access by the poor to public utility services, such as solid waste, potable water, and sanitation; (ii) community participation in proposed integrated solid waste management, in particular, community-led waste collection, and urban planning, such as the water tariff public hearing process; (iii) environmental and public health awareness building programs; (iv) water conservation and effective water asset maintenance; (v) garbage stations and road safety; and (vi) targeted opportunities in construction, management, and capacity building. Capacity building during the PPTA will strengthen the awareness of the executing and implementing agencies for pro-poor interventions.

### 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? Residents in the project cities are the primary beneficiaries of the project. The poor and the socially excluded will benefit from the project both directly and indirectly. Provisions of basic urban services, such as water supply, sanitation, solid waste management, and roads will directly benefit the poor and the socially excluded through

improved access, quantity, and quality. The project is expected to create significant job opportunities during infrastructure construction, and operation and maintenance. Some of these jobs are low-skilled and could target directly the poor. The migrant and poor population living adjacent to the landfill site and new urban development district will particularly benefit from better environment, improved urban connectivity and transport services, creation of safer communities, and better living environments.

Greener environment, inclusive urban planning, better enabling environment for more job opportunities and increased economic activities will provide the population with indirect benefits. The development of better infrastructure will potentially benefit indirectly surrounding rural areas and small towns by helping to development economic and job opportunities, and larger market access and opportunity for agricultural products. During the PPTA, a full assessment of affected communities will be conducted. Capacity building during the PPTA will strengthen the awareness of the executing and implementing agencies for pro-poor interventions.

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

Safe and reliable drinking supply, sewage network connections, treatment and municipal solid waste management, and safe road network are needed by all. The improved urban environmental infrastructure may help to address waterborne diseases, odor and air pollutant emissions from solid waste treatment and other safety issues. Improved roads will facilitate mobility, access, and safety to services and employment. The social development impacts of the project and the economic growth of the cities will be studied. A thorough scoping and assessment will be made of ethnic minority issues and potential impacts. If found necessary, an ethnic minority development plan will be prepared.

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

No constraints in accessing the proposed benefits and services are foreseen at this point of the project design. Assessment of water supply and solid waste management tariff structure will include affordability analyses. Based on these assessments, a tariff-subsidization system targeting the poor will be designed if needed. Attention will be paid to access and mobility, safety, nonmotorized transport, and pedestrian access for the road component.

The project will need to ensure proper assessment of the indigenous peoples safeguard issues, help to target employment opportunities during construction and maintenance, and ensure consultation and involvement of local people, especially women, in design and implementation of project activities. The institutional arrangements and financing support for urban environmental infrastructure improvement shall be focused among various stakeholders and decision makers.

## **B. Consultation and Participation**

1. Indicate the potential initial stakeholders.

The main stakeholders include the national government, the Jilin provincial government, and the two cities' municipal governments, environmental protection bureau, land resources bureau, financial bureau, housing and construction bureau, development and reform commission, water affair bureau, urban planning department; and urban investment and construction company, design institutes, ethnic minority and poverty bureaus, adversely affected people, and project beneficiaries.

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

The PPTA will conduct a poverty and social analysis and address social safeguards. A socioeconomic survey, stakeholder workshops, focus group discussions, and informant interviews will be conducted during the PPTA. This work will be complemented by survey and consultations done under the resettlement and environmental safeguards. As referenced earlier, scoping for the indigenous peoples safeguard will take place, including necessary consultations and assessment.

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

Information sharing     Consultation     Collaborative decision making     Empowerment

4. Will a C&P plan be prepared during the project design for project implementation?  Yes     No

Key documents, such as the social action plan, gender action plan, resettlement plans, ethnic minority development plan, and environmental management plan will outline consultation and participation for implementation. Loan assurances will address implementation and monitoring of the plans.

**C. Gender and Development Proposed Gender Mainstreaming Category: Effective Gender Mainstreaming**

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project/program?  
 It is predicted that improvements in the drainage areas, and surrounding waste collection plots, public toilets, and garbage transfer stations will benefit women—providing a cleaner, safer, and more livable environment. The PPTA will investigate opportunities to provide employment opportunities, which will both directly and indirectly benefit women. The project will investigate the possibility of designing public awareness programs on waste management, road safety, and water conservation.

2. Does the proposed project/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  
 Gender analysis will be conducted as part of the social assessment and gender actions will be incorporated in the design and implementation of the proposed project components. The gender action plan will identify strategies, mechanisms, and components for addressing gender concerns and promoting participation of women.

3. Could the proposed project have an adverse impact on women and/or girls or to widen gender inequality?  
 Yes  No

**III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS**

Issue	Nature of Social Issue	Significant/Limited/No Impact/Not Known	Plan or Other Action Required
<b>Involuntary Resettlement</b>	The project will involve land acquisition and house demolition impacts. Detailed assessment will be conducted during PPTA implementation.	<b>Significant</b>	<input checked="" type="checkbox"/> Resettlement Plan
<b>Indigenous Peoples</b>	Preliminary investigation indicates that there are ethnic minorities in the urban area. A full scoping and assessment will be done under the PPTA and EMDP prepared if necessary.	<b>Limited</b>	<input checked="" type="checkbox"/> Indigenous Peoples Plan
<b>Labor</b> <input checked="" type="checkbox"/> Employment Opportunities <input type="checkbox"/> Labor Retrenchment <input checked="" type="checkbox"/> Core Labor Standards	The project will generate employment opportunities both directly and indirectly. Core labor standards will be used and included in the assurances.	<b>Limited</b>	<input checked="" type="checkbox"/> Other Action
<b>Affordability</b>	Affordability analysis will be conducted under the PPTA and attention will be given to maintenance of subsidies to the poor for universal service of water supply and sanitation; maintenance of subsidies to the majority of households for MSW operation plus incentives wastes reduction from source. Attention will be paid to opportunities for	<b>Limited</b>	<input checked="" type="checkbox"/> Action

	enhancing the public hearing process on tariff reform.		
<b>Other Risks and/or Vulnerabilities</b> <input checked="" type="checkbox"/> HIV/AIDS <input type="checkbox"/> Human Trafficking <input type="checkbox"/> Others (conflict, political instability, etc.), please specify	HIV/AIDS awareness and prevention activities will be included in the assurances and the contract documents.		<input checked="" type="checkbox"/> Other Action

**IV. PPTA/DUE DILIGENCE RESOURCE REQUIREMENT**

1. Do the TOR for the PPTA (or other due diligence) include poverty, social and gender analysis and the relevant specialist/s?  
 Yes       No    If no, please explain why.
  
2. Are resources (consultants, survey budget, and workshop) allocated for conducting poverty, social and/or gender analysis, and C&P during the PPTA/due diligence?  Yes       No    If yes, please provide details. If no, please explain why.

<sup>a</sup> All data refers to year 2010 from PRC and XUAR Statistical Yearbook (unless otherwise stated).  
<sup>b</sup> ADB. 2009. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the People's Republic of China for the Xinjiang Urban Transport and Environmental Improvement Project* (Loan 2526-PRC).