

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	People's Republic of China	Project Title:	Hubei Huanggang Urban Environment Improvement Project
Lending/Financing Modality:	Project	Department:	East Asia Department
		Division:	Urban and Social Sectors Division

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Targeting classification: General intervention

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

Huanggang is located in eastern Hubei Province, 78 kilometers (km) from the provincial capital Wuhan. It is the second most populated municipality in the province with a total population of 7.46 million, of which 1.50 million are poor and largely rural. Building on the traditionally rural-based economy, Huanggang is the third poorest municipality in the province with a rural poverty incidence of 25.2% and a relatively low urbanization rate of 35.7%.² The national policy of the People's Republic of China (PRC) is to balance economic disparities between the rich eastern coastal region and poor central and western regions. It designates the Wuhan 1+8 megacity cluster as Hubei Province's engine of economic development in the PRC's central region. Huanggang must develop a livable urban environment that will attract industries and services to relocate to achieve economic growth and alleviate poverty by creating job opportunities.

The project is aligned with the PRC country partnership strategy of the Asian Development Bank (ADB), 2011–2015, which defines urban infrastructure development as a priority investment, and values sustainable and environment-friendly urban development as a focal area. The project supports ADB's urban sector strategy and the PRC's urbanization strategy, which promotes strengthened environmental management, inclusive growth, and well-balanced development. It is also compatible with the twelfth five-year plans of the PRC and Huanggang, and the Huanggang Municipality Urban Master Plan, 2012–2030 by improving the water environment and urban management.

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

1. Key poverty and social issues. Various urban development challenges have constrained the development potential of Huanggang. The existing central urban area in Huangzhou District is dense and cannot accommodate a growing urban population with increasing economic activities. Limited urban space and inadequate urban infrastructure has slowed economic development and delayed the urbanization process, resulting in Huanggang's development lagging behind other cities and becoming sidelined from mainstream developments in the province. Based on the current national poverty standard of CNY2,300 per year (farmers' net income), Huanggang's rural poverty incidence (25.2%) is higher than the provincial (20.2%) and national (13.4%) average rates. Rural poverty incidence in Huangzhou District is 21.5% and urban poverty 8.1%. Among the poorest are households headed by women with sick or disabled members and fishing households suffering from natural disasters.

2. Beneficiaries. Primary project beneficiaries include local residents of Lukou Town and Nanhu Subdistrict, the area covering the phase 1 of the New Eastern District (NED) in Huangzhou District, with a direct beneficiary population of 41,600. When phase 1 of the NED is completed by 2020, the project will directly benefit 100,000 residents and industries and services to be located in the phase 1 area by (i) improving water quality of urban surface waters; (ii) enhancing quality of life of project area residents with public amenity space; (iii) supporting a large number of skilled and unskilled jobs because of the promotion of local secondary and tertiary industry development; and (iv) improving living conditions of local residents, especially the poor and migrants, through the construction of new low-cost and affordable housing and resettlement communities. The entire Huangzhou District with 367,000 residents will indirectly benefit from (i) improved living conditions with upgraded urban lake and ecological environment, (ii) enhanced investment environment and employment in local secondary and tertiary industries in Huanggang, (iii) reduced disparity in living standards between urban and rural areas, and (iv) raised public awareness of solid waste and environment improvement.

3. Impact channels. Direct impacts include (i) improved lake and river water quality, (ii) enhanced public amenities and urban environment for local residents to enrich quality of life, (iii) skilled and unskilled job opportunities during project construction and operation, (iv) increased public awareness to improve the living environment, and (v) reduced flood risk. Indirect impacts include increased employment opportunities from industry relocation and improved living environment.

4. Other social and poverty issues. Rapid urbanization and transformation from agricultural to urban production will affect residents' livelihoods and create a need for new housing and residences, especially for the poor and disadvantaged groups.

5. Design features. The project design responds to issues raised by the poverty and social assessment on water quality enhancement, ecology and flood protection, and solid waste management. Key design features include creating job opportunities for women and the poor, and strengthening public participation in public awareness activities such as lake ecosystem and solid waste management to protect the environment and public health. The project will facilitate development of Huangzhou District and improve the general living environment of the poor who

will be rehoused in four constructed resettlement sites, which will benefit 6,480 households and 20,100 people. Also, Huanggang municipal government is committed to providing low-cost, public rental housing for 4,500 households and 15,000 persons in NED. Actions in the social action plan (SAP) and gender action plan (GAP) will mitigate adverse impacts and increase positive impacts of the project. The executing and implementing agencies will implement these plans, in collaboration with other stakeholders, during project implementation.

II. PARTICIPATION AND EMPOWERING THE POOR

1. Participatory approaches and project activities. Extensive consultations with representatives of affected villages, communities, and government agencies (subdistrict and local) were conducted during project design. In total, (i) 392 people were surveyed, (ii) 20 focus group discussions with 129 participants were held, (iii) 64 in-depth and 22 key informant interviews were conducted, and (iv) two meetings were organized with primary and secondary stakeholders including the executing agency, implementing agency, Huanggang project management office (HPMO), and the design agency. Relevant consultations and interviews were held during preparation of the resettlement plan and environmental management plan.

2. Role of civil society organizations. A community management mechanism was implemented in 2011 for the urban area of Huanggang to improve the urban environment. As in other urban areas in Huanggang, NED community management will be included in the scheme. Under this arrangement, community environmental protection groups will be established to organize public awareness measures to assist communities in separating waste and improving the environment. Coordination with Huanggang Municipal Women's Federation on women's employment issues will be ensured.

3. Civil society organizations. A suitable budget, monitoring and evaluation, and capacity-building activities were designed to support participation of civil society organizations.

4. The following forms of civil society organization participation are envisaged during project implementation, rated as high (H), medium (M), low (L), or not applicable (NA):

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

5. Participation plan

Yes. No. Participation and consultation activities are incorporated in the GAP and SAP.

III. GENDER AND DEVELOPMENT

Gender mainstreaming category: Effective gender mainstreaming

A. Key issues. Intensive consultations and gender analysis were conducted during the poverty and social assessment. Survey and focus group discussion data reveal that most female respondents support the project as it will improve their living environment and help prevent the spread of disease. The project will provide lakeside leisure squares and facilities to meet the needs of women, children, and the elderly. With the population increase expected after the lake improvement, women appreciate that safety facilities such as streetlamps, warning signs, and green belts will be provided around the lakes to guarantee safety and security of their children. Based on survey and focus group discussion results, (i) women around NED are interested in construction work opportunities provided by the project; and (ii) young women would like to join the training program, which will help them find good jobs with favorable income. Currently, women comprise 10%–15% of Huanggang government institutions related to the project. Women will be given priority for employment during project implementation and operation. Women's participation in the solid waste management public awareness campaign will strengthen effective project implementation and sustainable development, and encourage women to participate in community development.

B. Key actions.

Gender action plan Other actions or measures No action or measure

The GAP includes specific targets for women in employment, participation, and capacity-building opportunities that are assured by the government. In addition to adequate staffing and training for HPMO and the implementing agency, women are provided with (i) job opportunities during and after project implementation, (ii) training on waste separation and environmental protection, (iii) opportunities to participate in community management and decision-making processes, and (iv) chances to participate in project design. The design and monitoring framework, GAP, and SAP include sex-disaggregated data and indicators.

IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

A. Involuntary Resettlement

Safeguard Category: A B C FI

1. Key impacts. The project will affect eight villages and communities in the project area. A total of 9,477.7 *mu* of land will be occupied permanently, including 798.6 *mu* of collective land and 8,679.1 *mu* of state-owned land.^b A total of 77.5 *mu* of land will be occupied temporarily and a total of 4,736.5 square meters of residential houses and 11,038 square meters of nonresidential buildings will be demolished. Land acquisition will affect 318 households, entities, and/or stores with 1,140 people permanently affected, and 42 households with 184 people temporarily affected, totaling 360 households, entities, and stores with 1,324 persons affected.^c

2. Strategy to address the impacts. A resettlement plan was prepared in line with ADB's Safeguard Policy Statement (2009) and relevant laws and regulations of the PRC. The plan was endorsed by Huanggang municipal government and disclosed to affected people in the local language. Compensation will be provided to affected people for all

affected assets (permanent and temporary) at full replacement cost. HPMO will coordinate project implementation and report progress to ADB. The land resource bureau and house demolition and resettlement office will carry out land acquisition, house demolition, and implementation of the resettlement plan. A grievance redress procedure was established for the affected persons. HPMO will engage an external monitoring institute to independently verify adherence to provisions of the resettlement plan.

3. Plan or other actions.

<input checked="" type="checkbox"/> Resettlement plan	<input type="checkbox"/> Combined resettlement and indigenous peoples plan
<input 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	

B. Indigenous Peoples **Safeguard Category:** A B C FI

1. Key impacts. Not applicable. Is broad community support triggered? Yes No

2. Strategy to address the impacts. Not applicable.

3. Plan or other actions.

<input type="checkbox"/> Indigenous peoples plan	<input type="checkbox"/> Combined resettlement plan and indigenous peoples plan
<input type="checkbox"/> Indigenous peoples planning framework	<input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework
<input type="checkbox"/> Environmental and social management system arrangement	<input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary
<input type="checkbox"/> Social impact matrix	<input checked="" type="checkbox"/> No action

V. ADDRESSING OTHER SOCIAL RISKS

A. Risks in the Labor Market

1. Relevance of the project for the country's or region's or sector's labor market, indicated as high (H), medium (M), and low or not significant (L). unemployment underemployment retrenchment core labor standards (L)

2. Labor market impact. The project will create 2,450 jobs (150 skilled, 2,300 unskilled) during construction of the lake and river improvement components, and 133 jobs (33 skilled, 100 unskilled) during operations.

B. Affordability. The project does not have any revenue-generating component. The government will ensure provision of adequate low-income housing for the affected persons and poor households in the phase 1 area of NED. More employment opportunities will be created through the project for development of the area.

C. Communicable Diseases and Other Social Risks

1. The impact of the following risks are rated high (H), medium (M), low (L), or not applicable (NA):
 Communicable diseases (L) Human trafficking (NA) Others (please specify)

2. Risks to people in project area. The EMP, GAP, loan assurances, and SAP require dissemination of information on HIV/AIDS and sexually transmitted infection at construction sites for all new employees upon engagement. This will be done in collaboration with the Center for Disease Control. HIV/AIDS, sexually transmitted infections, and other communicable disease clauses will be included in contract bidding documents.

VI. MONITORING AND EVALUATION

1. Targets and indicators. For skilled and unskilled laborers, 30% are poor and 30% are female. Women make up 30% of participants in the awareness education and other information campaigns. The design and monitoring framework, GAP, and SAP targets and indicators were discussed and confirmed with HPMO and relevant organizations. The comprehensive project performance monitoring system framework and the social and gender monitoring indicators were developed to systematically generate data for the social and gender areas, in consultation with the implementing agency and with the assistance of consultants.

2. Required human resources. A social and gender specialist (5 person-months) and resettlement specialist (4 person-months) are budgeted for the supervision contract. Terms of reference are included in the project administration manual. The GAP and SAP require staff in the HPMO and executing agency to specifically oversee their implementation.

3. Information in the project administration manual. The manual outlines poverty, social, and gender issues and includes the GAP and SAP.

4. Monitoring tools. During project implementation, internal monitoring results of the GAP and SAP will be incorporated in the project performance monitoring system report. Data sources will include (i) project management information system, (ii) official statistics, and (iii) social surveys and researches.

^a Hubei Poverty Alleviation Office. 2012. *Hubei Province Poverty Situation*. Hubei Province.

^b A *mu* is a Chinese unit of measurement (1 *mu* = 666.7 square meters).

^c In which 129 households with 408 persons will be affected by land acquisition of collective land, 187 households with 727 persons by land occupation of state-owned land, 22 households with 79 persons by residential house demolition (affected by land acquisition meanwhile), two entities with 5 persons will be affected by nonresidential house demolition.

Source: Asian Development Bank estimates.