



Initial Poverty and Social Analysis

Project Number: 46062
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People's Republic of China: Gansu Baiyin Urban Development II Project

Asian Development Bank

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	People's Republic of China (PRC)	Project Title:	Gansu Baiyin Urban Development II Project
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Lending/Financing Modality:	Project Loan	Department/Division:	East Asia Department/Urban and Social Sectors Division
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I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The project supports the PRC's Twelfth Five-Year Plan 2011–2015, which targets the overarching goal of stable and relatively fast economic development through promoting environmental protection and domestic consumption-driven growth. The project also aligns with the ADB's country partnership strategy 2011–2015, and is consistent with ADB's water and urban operational plans which focus on inclusive and environmentally sustainable growth, improved quality of life for developing livable city, and mainstreaming efficiencies in water use.

B. Targeting Classification

☒ General Intervention ☐ Individual or Household (TI-H) ☐ Geographic (TI-G) ☐ Non-Income MDGs (TI-7)

According to the newly issued government document, the PRC government re-designated the national poverty reduction areas into 14 contiguous special poverty areas. Under this new classification, 58 out of 65 counties in Gansu province are categorized as 'poor counties'. All three counties in Baiyin Municipality (Baiyin) belong to Liu Pan Shan Contiguous Poverty Area. Through building the urban infrastructure for the eastern Baiyin urban area in Jingyuan county of Baiyin, the project will significantly improve the investment environment to attract more enterprises to move into the project area. Moreover, the development of eastern Baiyin urban area will provide significant job opportunities.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

The components of the project will develop key urban infrastructures (i.e., water supply, wastewater, and roads) in the eastern Baiyin urban area, including one of the seven strategic industrial bases that comprise the Lanzhou-Baiyin Core Economic Zone. The project will benefit persons who will live and work in the eastern Baiyin urban area, estimated as 39,000 residents by 2015; and 123,000 residents by 2030.

The project also expects to provide immediate benefit to the existing local population. The proposed water treatment plant (WTP) will directly benefit 4,515 farmer households with 16,782 persons in Liuchuan township, whose water supply will be switched from the small unreliable water supply system to a fully equipped centralized WTP in the eastern Baiyin urban area. This new WTP will indirectly benefit all 56,411 residents in the nearby Liuchuan and Mitau townships who currently suffer from a risk of intermittent water supply service due to limited capacity of water supply system. The proposed wastewater treatment plant component will provide access to the comprehensive sanitation service to about 1,700 workers and their families of 8,000 people who work and live in the local mineral company's complex in the eastern Baiyin urban area.

The project will also directly or indirectly benefit 479,000 people in Jingyuan county through job opportunities and economic growth. About 86,800 of rural and 6,000 of urban surplus laborers in Jingyuan county can receive capacity building trainings for better job prospects in various sectors.

The proposed intelligent transport systems will directly benefit urban citizens of 213,000 persons in Baiyin district for improved road safety, better traffic management, and enhanced transportation security.

2. Impact channels and expected systemic changes.

The living conditions of the beneficiaries are expected to get better due to: (i) improved employment opportunities and access to skills enhancement programs, (ii) access to water and sanitation, and (iii) a safe and secure transport network providing sufficient and affordable access and mobility.

3. Focus of (and resources allocated in) the project preparatory technical assistance (PPTA) or due diligence.

The PPTA will allocate inputs of 2 person-months for international resettlement and social development specialist, 3 person-months for national resettlement specialist, and 2 person-months for social development specialist. Pro-poor design issues to be investigated include: pro-poor industrial skilled training program, cross-subsidies for water and wastewater tariffs, community participation in environment management, employment opportunities during construction and for maintenance of infrastructure, possibilities for inclusion of communities in project monitoring, and community-based environmental/water health awareness activities.

4. Specific analysis for policy-based lending. Not Applicable.

II. GENDER AND DEVELOPMENT

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

Key gender issues include: (i) ensuring access to employment and training opportunities generated by the project development, and (ii) ensuring meaningful participation in the decision-making to ensure incorporation of women's needs and interests in such programs. The poverty and social assessment will conduct gender analysis to identify possible risks and effective mitigation measures. Gender analysis under the social assessment will also look at issues of access and time burdens for water and sanitation and safety, access and mobility for road investments.

2. Does the proposed project or program have the potential to make a contribution to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making?

☒ Yes ☐ No Please explain.

The project will try to promote gender sensitive curriculum development especially under the vocational education component. Women will be given priority in employment and training opportunities during the project construction and operation phases. Women should also have equal employment opportunities to work for the factories to be located in the industrial zone. Further, the project delivers tangible benefits to women by improving water quality, decreasing time burdens, and protecting their health, which contribute to gender equality and women's empowerment. During the PPTA gender concerns will be mainstreamed through women's participation in the consultation processes.

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

☐ Yes ☒ No Please

The project will not cause adverse impacts on women. Their participation is assured during implementation.

4. Indicate the intended gender mainstreaming category:

☐ GEN (gender equity theme) ☒ EGM (effective gender mainstreaming)
☐ SGE (some gender elements) ☐ NGE (no gender elements)

III. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.

Major stakeholders include: (i) local farmers and collectives to be directly affected by land acquisition and house demolition; (ii) local people who will benefit from improved WTP, wastewater treatment plant service, skills training, transportation convenience, and job creation by the project; (iii) national, municipal, district and county government agencies. At the county level, land management bureau, industrial zone management committee and human resource and social security bureau; (iv) project implementation agency, and operation and maintenance entity of the project facilities. During the PPTA, the executing agency and implementing agencies will undertake public consultations and ensure participatory approaches to design project components, GAP, SAP, and resettlement plans (see section 2 below).

2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable and excluded groups? What issues in the project design require participation of the poor and excluded?

During the PPTA, the executing agency and implementing agencies will undertake public consultations and ensure participatory approaches to design project components, GAP, SAP, and resettlement plans. Consultation will include: (i) socioeconomic baseline survey; (ii) focus group discussions; and (iii) municipal, county, and village level key informant interviews of various local government agencies, women's federations, and village leaders.

3. What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design? The key, active, and relevant civil society organizations in the project area will be determined during the PPTA.

☒ Information generation and sharing (H) ☒ Consultation (H) ☒ Collaboration (M) ☐ Partnership

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how shall they be addressed? ☒ Yes ☐ No

Key documents, such as the SAP, GAP, resettlement plans, EMDP, and EMP will outline consultation and participation for implementation. Loan assurances will address implementation and monitoring of the plans. Local people will be consulted during PPTA implementation and preliminary design through consultations. PPTA will conduct poverty and social analysis and address social safeguards. Socioeconomic survey, stakeholder workshops, focus group discussions, and informant interviews will be conducted during PPTA. This will be complemented by survey and consultations under the resettlement and environment safeguards.

IV. SOCIAL SAFEGUARDS
A. Involuntary Resettlement Category <input checked="" type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI
<p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>The project will acquire about 133.3 hectares (ha) (1999.6 <i>mu</i>) of land, of which, 54.6 ha (819 <i>mu</i>) or 41% is farmland.¹ Land acquisition will affect 476 households with 2,216 persons. As of May 2012, 84% (685 <i>mu</i>) of the farmland has been acquired. All remaining lands are state-owned unused land and land acquisition is expected to proceed smoothly. Around 6,160 m² of rural residential houses will be demolished, which will affect approximately 50 households with 200 persons.</p> <p>2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?</p> <p><input checked="" type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None</p>
B. Indigenous Peoples Category <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI
<p>1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>In Baiyin, 1.8% of the total municipal population is ethnic minorities and is primarily Hui. In four affected villages, there are only 8 persons, of which, 1 is Tibetan and the other 7 are Hui.</p> <p>2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No.</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?</p> <p><input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Social Impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> None</p>
V. OTHER SOCIAL ISSUES AND RISKS
<p>1. What other social issues and risks should be considered in the project design?</p> <p><input checked="" type="checkbox"/> Creating decent jobs and employment (L) <input checked="" type="checkbox"/> Adhering to core labor standards (L) <input type="checkbox"/> Labor retrenchment <input checked="" type="checkbox"/> Spread of communicable diseases, including HIV/AIDS (L) <input type="checkbox"/> Increase in human trafficking <input checked="" type="checkbox"/> Affordability (H) <input type="checkbox"/> Increase in unplanned migration (M) <input type="checkbox"/> Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability <input type="checkbox"/> Creating internal social conflicts (L) <input type="checkbox"/> Others, please specify _____</p> <p>2. How are these additional social issues and risks going to be addressed in the project design?</p> <p>At present, the price for domestic water use in nearby villages of the project area is CNY2.48 to CNY2.83 per m³. There is no wastewater treatment system and no preferential policy for poor households. The people to be resettled inside the new community sites in the eastern Baiyin urban development area will pay fees for both water supply and wastewater treatment. During the PPTA, appropriate analysis and policy dialogue will be conducted to ensure the affordability.</p> <p>The project will create employment opportunities during construction and operation. The use of core labor standards will be included in the assurances. The skills building component will help provide opportunities in the future.</p> <p>HIV/AIDS clauses will be included in the bidding documents and awareness and prevention activities will be during project implementation and included in the assurances.</p>
VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT
<p>1. Do the terms of reference for the PPTA (or other due diligence) contain key information needed to be gathered during PPTA or due diligence process to better analyze (i) poverty and social impact; (ii) gender impact, (iii) participation dimensions; (iv) social safeguards; and (vi) other social risks. Are the relevant specialists identified?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social and/or gender analysis, and participation plan during the PPTA or due diligence?</p> <p>The PPTA will have inputs of 2 person-months for international resettlement and social development specialist, 3 person-months for national resettlement specialist, and 2 person-months for social development specialist.</p>

¹ A *mu* is a Chinese unit of measurement (1 *mu* = 666.67 m²).