



## Initial Poverty and Social Analysis

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Project Number: 46063  
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# PRC: Xinjiang Tacheng Border Cities and Counties Development Project

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:  Project Title:

Lending/Financing Modality:  Department/Division:

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The project seeks to develop urban infrastructure, and improve municipal services and the urban environment in Tacheng City and Prefecture, Xinjiang Uygur Autonomous Region (XUAR). The project will contribute to poverty reduction by improving access for urban, rural, and peri-urban residents, including the poor, to municipal services (water supply, sewerage, wastewater treatment, heating, etc.), public health, sanitation and living conditions, and supporting direct and indirect employment opportunities with expanded tertiary industries and an enabling investment environment.

The project is in line with the Tacheng City master plan's priorities on integrated urban development and environmental improvement. The project supports economically and socially inclusive urbanization and rural-urban transition in Tacheng, contributes to XUAR's economic development and thereby supports the People's Republic of China (PRC) Twelfth Five-Year Plan. The project also supports the PRC's national poverty reduction strategy for development in small- and medium-sized towns to decrease the income gap between urban and rural residents. The project aligns with the PRC's country partnership strategy (2011–2015) promoting sustainable and environment-friendly urban development. The project also supports the PRC's National Strategy for Development of the West in (i) improving urban infrastructure and environment, and (ii) stimulating economic growth in the region.

#### B. Targeting Classification

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

The project will improve the urban infrastructure and environment which will improve traffic circulation and reduce congestion, pollution, and accidents and increase the number of residents with access to safe drinking water and basic sanitation (target 7c).

#### C. Poverty and Social Analysis

##### 1. Key issues and potential beneficiaries.

The project direct beneficiaries are existing urban, rural, and peri-urban residents who live in the project area, as well as those that may move to the area in the future, including (i) migrants from rural area in Tacheng, and (ii) new migrants from other regions coming to Tacheng for employment opportunities. Project indirect beneficiaries include residents in Tacheng City and Prefecture who will benefit from improved urban infrastructure, municipal services, environment, and increased job opportunities. There are significant numbers of registered poor, particularly in the county cities, who will benefit from increased employment opportunities.

*What are their potential needs that can be addressed by the project?* Currently, the residents of the project area are faced with poor urban services, environmental pollution, and seasonal flood risk. The project has the potential to directly contribute to improved living conditions in the project area through improved water quality, reduced health risks and associated medical expenditure, improved urban services, reduced risk of flooding, improved public amenity areas and screening from dust storm and snow drift conditions, improved mobility and access, and increased employment opportunities.

*What are their (ii) constraints to access the proposed benefits and services?* During the project preparatory technical assistance (PPTA) stage, the project team will explore the affordability issues that could prevent access to the proposed urban services, such as connection costs for water supply and sewerage. The project team has not yet obtained the initial poverty data or sector relevant social indicators from the executing agency. This will be obtained during the PPTA.

##### 2. Impact channels and expected systemic changes.

The living conditions of the beneficiaries are expected to improve due to increased and better access to affordable water supply, sewerage, heating supply networks, waste collection systems, as well as improved transport and reduced flood risk leading to an improvement of living conditions and non-income poverty reduction.

3. Focus of (and resources allocated in) the PPTA or due diligence.

The project design is largely contingent on the development planning of the overall city. The PPTA will conduct a review of the development plan, assist the executing agency in participatory urban land use planning, and refine the project scope to better support environmentally sustainable and inclusive urbanization in Tacheng. International (1 person, 1.5 person-months) and national (2 persons, 5.0 person-months) resettlement and social development specialists will be contracted to complete a social action plan (SAP), gender action plan (GAP), resettlement plans, and ethnic minority development plan (EMDP) to provide a full picture of the target beneficiaries. Targeting of limited project-related employment opportunities and implementation of a community environment awareness and culturally appropriate 3R campaign will all help to ensure that benefits accrue to the communities.

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?

The impacts of poor urban environment and limited urban infrastructure add to women's time burdens, limit access and mobility, and increase safety concerns. It is envisaged that improvements in urban environment will greatly benefit women. The project will provide some employment opportunities directly and indirectly, which can benefit women. Particularly, a number of jobs will be created relating to landscaping of the public areas, which will provide long-term employment opportunities to women. Public consultation participation and awareness programs on urban river ecosystem, urban road improvements, and improved public health and safety will also have important positive impacts.

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.

Gender analysis will be conducted as part of the poverty and social analysis, and gender actions will be incorporated in the design and implementation of the proposed project components. The GAP will identify strategies, mechanisms, and components for addressing gender concerns. Opportunities will be explored to collaborate with the women's federation in Tacheng to assist in communicating project-related employment opportunities, trainings, public consultations and awareness campaigns during PPTA. Additional focus will be given to review how ethnic and religious values and practices can be used to promote the involvement of Muslim women in project activities.

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

Yes  No Please

All beneficiaries will benefit from improved living conditions and equal access to urban infrastructural services.

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.

The main stakeholders include XUAR regional government agencies, TMG's development and reform commission, real estate administration, finance and housing and construction, water resources, land resources, and environmental protection, planning, transportation, public utilities, municipal management, public health, civil affairs, poverty alleviation bureaus, private companies providing work forces, design institutes, project affected people, and project beneficiaries including service customers, residents near the river and neighborhoods, as well as ethnic minorities in the city centers and in peri-urban areas, as well as new migrants to the cities.

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?

The proposed participation strategy during PPTA will focus on identifying key stakeholders and communicating how they may be affected by the proposed project. Additionally, information will be collected to identify ethnically and religiously appropriate ways of community-based sanitation efforts.

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, EMDP, and GAP. 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**  A  B  C  FI

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement?  Yes  No

The project will involve land acquisition resulting in physical and economic displacement in Tacheng City and the three county cities.

2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?

Resettlement plan  Resettlement framework  Social impact matrix  
 Environmental and social management system arrangement  None

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

1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples?  Yes  No

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain?  Yes  No

Preliminary investigation indicates that approximately ethnic minorities currently comprise an average of 55% of total population in the project cities, with the majority being Kazakh. Some Kazakh are likely to be displaced by land acquisition. A thorough assessment of the issue will be done during PPTA.

3. Will the project require broad community support of affected indigenous communities?  Yes  No.

4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?

Indigenous peoples plan  Indigenous peoples planning framework  Social Impact matrix  
 Environmental and social management system arrangement  None

#### V. OTHER SOCIAL ISSUES AND RISKS

1. What other social issues and risks should be considered in the project design?

Creating decent jobs and employment (L)  Adhering to core labor standards (L)  Labor retrenchment  
 Spread of communicable diseases, including HIV/AIDS (L)  Increase in human trafficking  Affordability (H)  
 Increase in unplanned migration (M)  Increase in vulnerability to natural disasters  Creating political instability  
 Creating internal social conflicts (L)  Others, please specify \_\_\_\_\_

2. How are these additional social issues and risks going to be addressed in the project design?

The financial analysis will assess affordability and tariffs/fees for low income households. HIV/AIDS awareness and prevention activities will be included in the assurances and the contract documents. Social conflicts are possible due to increased in-migration. An EMDP will be prepared, and will also address this concern.

#### VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT

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?

Yes  No

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?

Consultants (3.5 person-months of international and national experts), socioeconomic survey, and social development workshop and trainings are allocated under the PPTA.