

Initial Poverty and Social Analysis

Project Number: 46078
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People's Republic of China: Anhui Huainan Urban
Water Systems Integrated Rehabilitation Project

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	People's Republic of China	Project Title:	Anhui Huainan Urban Water Systems Integrated Rehabilitation Project
Lending/Financing Modality:	Project loan	Department/Division:	East Asia Department (EARD) / Environment, Natural Resources, and Agriculture Division (EAER)

I. POVERTY ISSUES

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

Rapid economic growth over the past three decades in the People's Republic of China (PRC) has lifted the majority of the population out of absolute poverty. Nevertheless, poverty persists in many parts of the country while millions remain vulnerable to slipping back into poverty. For example, under the government's new poverty line of CNY2,300 announced in November 2011, more than 100 million of persons have been reclassified as poor. Although poverty primarily affects rural households, an upsurge in rural-to-urban migration has contributed to a rise in urban poverty.

The PRC's rapid economic growth has exerted enormous pressure on the environment. In many heavily polluted urban areas, water quality has fallen below safety standards. Further, the PRC now produces about 25% of the world's solid waste; and unsafe waste disposal is a major contribution to soil and water pollution.

The PRC's 12th Five-Year Plan (2011–2015) supports the government's long-term goal of building a harmonious and moderately prosperous (*xiaokang*) society through livelihood improvement, and regionally balanced and environmentally sustainable growth. The Asian Development Bank's country partnership strategy (CPS) for the PRC for 2011–2015 supports the government's over-arching strategic goal of building a *xiaokang* society by focusing on three strategic pillars: inclusive growth, environmentally sustainable growth, and regional cooperation and integration.

The proposed project will be implemented in the Huainan municipality in Anhui province. Despite its strategic location, Anhui province is the least developed province in the central PRC. The Huainan municipality has 2.5 million of population, 7.4% of which is below the provincial poverty line, while the project area has 1.2 million of population, 7.7% of which is below the provincial poverty line. The proposed project is fully consistent with the PRC's 12th Five-Year Plan (2011–2015) and ADB's CPS by improving urban water environment, public health, and quality of life for urban residents in the Huainan municipality.

B. Targeting Classification

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

As the proposed project will increase urban population with access to improved sanitation, the project is classified to non-income MDG-7.

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?

Not applicable.

2. What resources are allocated in the project preparatory technical assistance (PPTA)/due diligence?

The PPTA consultant team will include an international social development and resettlement specialist, a national social development specialist, and a national resettlement specialist to (i) conduct social analysis with particular attention on gender, poverty, and labor issues, (ii) conduct social safeguards due diligence for the project sites, and (iii) prepare resettlement plans and social action plan/gender action plan.

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)? Please explain

Not applicable.

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 potential primary beneficiaries are people living in the project area who will benefit from (i) improved wastewater collection systems, (ii) urban water channels improved for water environment and flood control, and (iii) lakes and wetlands improved for flood control and water environment.

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

Beneficiaries are expecting improvements of urban water environment, public health, and quality of life. In addition, the beneficiaries may need mitigation of temporary or permanent negative project impacts so that (i) the beneficiaries will benefit from project activities, (ii) the long-term impact is positive, and (iii) employment and other opportunities provided by the project reach the beneficiaries. Furthermore, the beneficiaries may need training and capacity development to be able to use project outputs effectively and sustainably.

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

Under the proposed project, 178.94 kilometers of new main wastewater collection pipes will be installed, and three new pump stations for wastewater transmission will be constructed. Wastewater collected through the installed pipes and constructed pump stations will be treated at two existing wastewater treatment plants and, for that, the capacities of the two plants need to be increased from 100,000 tons/day to 200,000 tons/day in the eastern area and from 100,000 tons/day to 150,000 tons/day in the western area of the Huainan municipality. In addition, individual households need to be connected to the main wastewater collection pipes installed under the project. These are currently outside of the scope of the project and need to be timely implemented by the executing agency; otherwise, the poor people in the project area will not be able to benefit from the main wastewater collection pipes installed and the pump stations constructed under the project. The increase in the capacities of the two existing wastewater treatment plants and connection of individual households to the installed pipes will be important assumptions for the achievement of the project outcome. During the PPTA, it will be examined (i) whether or not there are any other potential constraints, and (ii) how the proposed project will address the constraints, if any.

B. Consultation and Participation

1. Indicate the potential initial stakeholders.

The potential initial stakeholders are the Huainan municipal government, including the Huainan municipal Development and Reform Commission, Finance Bureau, Urban and Rural Construction Committee, Park Administration Bureau, Administration Management Office, and Sewage Company, and people living in the project area.

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.)?

Public consultation will be carried out by the executing agency during the preparation of project design documents. Further consultation through workshops and a stakeholder analysis will be carried out during the PPTA.

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
Please explain.

During the PPTA, a C&P plan will be prepared. The C&P plan will aim to ensure the involvement of local governments and communities, particularly the poor people, women, and vulnerable groups, during project implementation.

C. Gender and Development

Proposed Gender Mainstreaming Category: Some gender benefits (Opportunities to categorize the project as effective gender mainstreaming will be examined during project preparation.)

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

The project may be confronted with generic gender issues in the PRC, not specific to the sector or subsector. This could be a burden on women who have more responsibility than men in caring for the sick or weak family members and in protecting the children and elderly people during floods.

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 Please explain.

The impact of the project will be gender-neutral in general. Females will benefit from improvements of water environment and flood control under the project as much as males, with no significant negative impact. However, there could be improvements in women's living standards since women generally stay home for a longer time than men and have more responsibility than men in caring for the sick or weak family members and in protecting the children and elderly people during floods. The executing agency will take necessary measures to (i) encourage the use of local labor, including females in project works, (ii) encourage females to participate in project implementation activities, and (iii) monitor effects on females during project implementation through the project performance management system and in consultation with the local women's federation.

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

The impact of the project will be gender-neutral in general. Females will benefit from the project as much as males, with no significant negative impact. It appears unlikely that the proposed project will have an adverse impact on women and/or girls or to widen gender inequality.

III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS			
Issue	Nature of Social Issue	Significant/Limited/ No Impact/Not Known	Plan or Other Action Required
Involuntary Resettlement	For construction of a new 8.1-km flood diversion channel, approximately 34,700 m ² of buildings (shops: 6,600 m ² , houses: 23,800 m ² , and works: 4,300 m ²) are estimated to be demolished.	Significant	<input checked="" type="checkbox"/> Resettlement Plan <input type="checkbox"/> Resettlement Framework <input type="checkbox"/> Environmental and Social Management System Arrangement <input type="checkbox"/> None <input type="checkbox"/> Uncertain
Indigenous Peoples	According to presently available information, a quite small number of Hui ethnic people live in the project area, who are scattered throughout the project area, do not form communities, and live similarly to the Han ethnic people without distinction.	No Impact	<input type="checkbox"/> Indigenous Peoples Plan <input type="checkbox"/> Indigenous Peoples Planning Framework <input type="checkbox"/> Environmental and Social Management System Arrangement <input checked="" type="checkbox"/> None <input type="checkbox"/> Uncertain
Labor <input checked="" type="checkbox"/> Employment Opportunities <input type="checkbox"/> Labor Retrenchment <input checked="" type="checkbox"/> Core Labor Standards	The project will not have a negative impact on employment opportunities. On the other hand, it may provide people living in the project area with temporary employment opportunities. During the PPTA, requirement to comply with core labor standards and/or national labor laws will be discussed with stakeholders and reflected in the loan agreement and other project documents.	Limited	<input type="checkbox"/> Plan <input checked="" type="checkbox"/> Other Action <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Affordability	Potential issues related to tariffs and access to services will be identified during the PPTA and, if any, mitigated in project design.	Not known	<input type="checkbox"/> Action <input type="checkbox"/> No Action <input checked="" type="checkbox"/> Uncertain
Other Risks and/or Vulnerabilities <input checked="" type="checkbox"/> HIV/AIDS <input type="checkbox"/> Human Trafficking <input type="checkbox"/> Others (conflict, political instability, etc.), please specify.	The executing agency will cause contractors to disseminate information on the risks of socially and sexually transmitted diseases, including HIV/AIDS, to their employees during project implementation.	Limited	<input type="checkbox"/> Plan <input checked="" type="checkbox"/> Other Action <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain
IV. PPTA/DUE DILIGENCE RESOURCE REQUIREMENT			
<p>1. Do the terms of reference for the PPTA (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.</p> <p>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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, please provide details. If no, please explain why.</p> <p>The PPTA consultant team will include an international social development and resettlement specialist, a national social development specialist, and a national resettlement specialist. Under the PPTA, necessary budget will be allocated for surveys and workshops.</p>			