

# Initial Poverty and Social Analysis

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People's Republic of China: Guangdong Chaonan  
Water Resources Development and Protection  
Demonstration Project

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	PRC	Project Title:	Guangdong Chaonan Water Resources Development and Protection Demonstration Project
Lending/Financing Modality:	Project	Department/Division:	East Asia Department/Environment, Natural Resources, and Agriculture Division

### I. POVERTY ISSUES

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

The project is consistent with the urban–rural development goals of the 12th Five-Year Plan, 2011–2015 of the Government of the People’s Republic of China (PRC), which promotes equitable urbanization, balanced regional growth, and coordinated urban–rural development. It is the priority of governments of Guangdong Province, Shantou Municipality, and Chaonan District. The project is in line with the strategic priorities of the Asian Development Bank (ADB) which support urban and rural infrastructure and environmental improvement. It supports ADB’s Water Operational Plan, 2011–2020 which aims to (i) increase coverage and improved services for water supply and sanitation, and (ii) promote integrated water resources management. The project is also in line with the ADB’s country partnership strategy, 2011–2015 for the PRC, which supports the government’s goal of building a harmonious society by (i) addressing rising income inequality and widening regional disparities, and (ii) promoting environmentally sustainable development.

The proposed project will help protect water resources and improve water security in Chaonan District, Guangdong Province. The project will provide improved water supply to about 1.33 million people by 2020, inclusive of urban and rural residents by (i) promoting integration of urban–rural water supply systems, and (ii) reducing water losses. It will also support watershed management, water quality monitoring, effective and efficient water resources development and management, and education to strengthen environmental awareness and protection of watershed areas.

#### B. Targeting Classification

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> General Intervention | <input type="checkbox"/> Individual or Household (TI-H)    |
| <input type="checkbox"/> Geographic (TI-G)               | <input type="checkbox"/> Non-Income MDGs (TI-M1, M2, etc.) |

The project will provide safe water supply and water treatment to about 95% of the households in the district. This will include, without targeting them specifically, all poor, socially and economically marginalized households.

#### C. Poverty Analysis

- If the project is classified as TI-H, or if it is policy-based, what type of poverty impact analysis is needed?
- What resources are allocated in the PPTA/due diligence?

National (2 person-months social development and 3 person-months resettlement) and international (2 person-months social development) specialists will be part of the project preparatory technical assistance (PPTA) team. Their terms of reference (TORs) will include poverty and social analysis, and requirements to ensure proper socially inclusive design and proper design of measures to mitigate potential negative impacts.

- 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.

The project will ensure that 95% of the population in the district will be connected to the improved water supply. This means that (i) technical measures will be undertaken to physically connect all households; and (ii) tariff structures will be designed in a way (a) to not exclude anyone, and (b) that allows poor, vulnerable, and marginalized households to access affordable and safe water supply through cross-subsidies and an appropriate tariff structure. Rural households in hilly areas will be connected to small-scale water supply facilities to provide as much coverage as technically possible.

### II. SOCIAL DEVELOPMENT ISSUES

#### A. Initial Social Analysis

Based on existing information:

- Who are the potential primary beneficiaries of the project? How do the poor and the socially excluded benefit from the project?

Primary beneficiaries will be all households connected to the water supply, particularly those who are not yet connected. For those who are already connected, the quality of water supply will be improved. Poor and rural households are among those who are not yet connected and will benefit over-proportionally. Poor and rural households currently rely on well-water and surface water with increased health hazards and increased workload to obtain safe water.

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

Households need safe water to ensure health and labor capacities. It has to be assured that the project target of connecting 95% of households includes all households, irrespective of their economic and social status.

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

Tariffs need to be structured in a way that poor and socially excluded households are not excluded from being connected to the water supply. Their connection needs to be assured by the public utilities providing the water supply service even if recovery of costs is only possible for these households through means other than tariffs.

#### B. Consultation and Participation

1. Indicate the potential initial stakeholders.

Initial stakeholders, beside ADB, will be the district government and its concerned departments, such as finance and water; the provincial finance department and the development and reform commission; and other local government units. Other initial stakeholders will be the water supply utilities and beneficiary communities.

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.)?

Workshops, consultation meetings, focused group discussions with beneficiaries, and household surveys will be conducted to ensure proper service delivery and proper tariff structures. It is suggested to prepare design features that include participation of user groups into decision making and operation processes.

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.

A C&P plan will be prepared to (i) ensure participation and consultation during project design and tariff setting, and (ii) pilot participation of user groups in the operation and maintenance of the project facilities.

#### C. Gender and Development

#### Proposed Gender Mainstreaming Category: Effective Gender Mainstreaming (EGM)

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

In the rural areas in the district, the responsibility and workload for collecting water rests almost exclusively on women. This workload will be eliminated if the households are connected to the water supply.

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.

Women will have reduction in workload and elimination of the responsibility for water collection after the households are connected to the water supply. They are expected to participate in the design and implementation of the project. The project will also promote women's role in decision making through participation of women in water user groups, if and when these are established.

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

Yes     No Please explain.

Improved water supply should not have any adverse impact 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
<b>Involuntary Resettlement</b>	The project will include works on three water supply plants and need the permanent acquisition of about 5 hectares of village land. Other works will need temporary land acquisition. Impacts to each displaced person should be limited. Resettlement plans according to the national laws and regulations are being prepared. During PPTA, these plans will be revised to (i) ensure compliance with ADB's Safeguard Policy Statement (2009); and (ii) mitigate livelihood impacts from temporary land acquisition and environmental protection of the water sources.	<b>Limited Impact</b>	<input checked="" type="checkbox"/> Resettlement Plan

Issue	Nature of Social Issue	Significant/Limited/ No Impact/Not Known	Plan or Other Action Required
<b>Indigenous Peoples</b>	No indigenous people live in the project area.	<b>No Impact</b>	<input checked="" type="checkbox"/> None
<b>Labor</b> <input checked="" type="checkbox"/> Employment Opportunities <input type="checkbox"/> Labor Retrenchment <input type="checkbox"/> Core Labor Standards	The project will provide employment opportunities during construction and operation. The social action plan will ensure these go preferentially to local poor and vulnerable households.	<b>Limited Impact</b>	<input type="checkbox"/> Plan <input checked="" type="checkbox"/> Other Action <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain
<b>Affordability</b>	The project will ensure that tariff increases for water supply will be done in a socially sensible manner to ensure availability of safe water for all. Tariff and affordability will be assessed during PPTA.	<b>Limited Impact</b>	<input checked="" type="checkbox"/> Action <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain
<b>Other Risks and/or Vulnerabilities</b> <input type="checkbox"/> HIV/AIDS <input type="checkbox"/> Human Trafficking <input type="checkbox"/> Others (conflict, political instability, etc.), please specify.	Construction impacts are relatively small, and local labor can be used as much as possible.	<b>No Impact</b>	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
<b>IV. PPTA/DUE DILIGENCE RESOURCE REQUIREMENT</b>			
<p>1. Does the TOR 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</p> <p>2. Are resources (consultants, survey budget, and workshop) allocated for conducting poverty, social, and/or gender analysis, and C&amp;P during the PPTA/due diligence? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Three positions (national and international) are planned for the PPTA. Their TORs include poverty, social, and gender assessment. Funds for surveys are included in the PPTA budget.</p>			