

## SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	People's Republic of China (PRC)	Project Title:	Hunan Dongjiang Lake Integrated Environmental Protection and Management Project
Lending/ Financing Modality:	Project	Department/ Division:	East Asia Department/Environment, Natural Resources, and Agriculture Division

### I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Targeting classification: General intervention

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

The project is consistent with the national government's goal of building a harmonious and prosperous society through regionally balanced and environmentally sustainable growth. The project is consistent with the priorities of the comprehensive reform agenda announced at the Third Plenary Session of the Eighteenth Communist Party of China Central Committee to construct better environmental infrastructure and strengthen institutional development and environmental services at the local level. The project demonstrates a clear linkage to the country partnership strategy, 2011–2015 of the Asian Development Bank (ADB) for the PRC. ADB's future directions in the PRC include supporting projects related to environmental protection, climate change mitigation and adaptation, local finance development, balanced urban–rural development, and the preparation of the next Thirteenth Five-Year Plan. The project is aligned with the Government of the PRC's National Plan to Guarantee Drinking Water to Cities, 2006–2020. It also contributes to Millennium Development Goal (MDG) 7 by improving sanitation; and conforms to ADB's urban and water sector strategies, which encourages green, competitive, and inclusive development, efficient water use, expanded wastewater management, and protection and rehabilitation of degraded riparian and wetlands.

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

1. **Key poverty and social issues.** Poverty and social analysis was undertaken in accordance with ADB guidelines. Rising inequality is a major concern for the national government. The main determinant of widening inequality has been the growing income gap between rural and urban areas as well as within cities. According to the Zixing City Poverty Alleviation Office, the poverty rate in the project area is 9.8% compared with the general poverty rate of 9.1% in Zixing City (using the national poverty line of CNY2,300). There are 15 key poverty alleviation villages, of which nine villages were approved by the Hunan Provincial Poverty Alleviation Office, six villages were approved at the municipal level, and eight villages will benefit from the project.

2. **Beneficiaries.** The project areas cover a total of 13 townships and 183 villages. There are four townships (Huangcao Town and the townships of Lianping, Longxi, and Qinjiang) and four villages with Yao ethnic minority. The project will directly benefit 78,325 households from improved pollution control, enhanced water supply, reduced flood risk, integrated management of ecosystem, and strengthened environmental and project management capacity. The project will also bring indirect benefits of having a better environment and securing good quality water for over 6.40 million people (about 1.6 million households) living in Zixing City and downstream of Dongjiang Lake in Xiang River basin.

3. **Impact channels.** The major impact of the project will be the enhanced quality of life and sustainable economic development among the households that will benefit from the project. Implementation of the project components and activities is expected to reduce pollution of Dongjiang Lake and the surrounding watershed by improving solid waste and wastewater management. Providing adequate water and safe drinking water to households will improve the health conditions and prevent waterborne diseases and related illnesses. Other project components will also increase agricultural production; improve the environment or ecosystem; and increase public awareness on improved health, sanitation, and environmental protection. Eco-compensation and livelihood training activities under the project are essential to increase household income.

4. **Other social and poverty issues.** Consultations with village and township officials reveal that a few households are considered poor and are being provided with minimum living security or financial support by the government. A baseline survey done during project preparation shows that 19.3% of the 592 household respondents have an annual income of CNY10,000–CNY20,000 (or about CNY833–CNY1,666 per month) and 10.1% of the respondents have a monthly household income of CNY833 and below. The survey also shows that 49% of households get water from springs, and only 36% have piped water. More than 50% of households, especially in rural areas, still use traditional toilets without septic tanks; and about 26% of the households interviewed had members who suffered from diarrhea during the last 12 months.

5. **Design features.** The project adopts an integrated approach to link environmental protection and livelihood opportunities for local residents. It is expected to scale up and demonstrate the following good practices in the PRC: (i) integrated water resources management and comprehensive monitoring, (ii) environmental protection linked with livelihood improvement, and (iii) eco-compensation. The design has attempted to reduce impacts on land acquisition and resettlement. Project assurances include employment of local labor. The actions for employment and skills training, among others, are included in the project activities. Actions aimed at protecting water sources by reducing fertilizer and pesticide use in agricultural production, which may have impacts on local livelihoods, will be widely discussed with affected farmers.

## II. PARTICIPATION AND EMPOWERING THE POOR

1. **Participatory approaches and project activities.** Further stakeholder consultations at all levels will be conducted prior to the start of project implementation and during implementation. Participation of local people, including women, the Yao ethnic minority, resettlement affected persons, and low-income households, will be engaged during public consultations, capacity building, and livelihood activities. Local governments will be engaged to explore the possibility of helping low-income households subsidize part of the costs for the improved water system, and solid waste and water treatment facilities.

2. If civil society has a specific role in the project, summarize the actions taken to ensure their participation. Consultations with township governments and village leaders, women's organizations, farmers, fishermen, associations, businesses, and other sectors were conducted through the following activities: focus group discussions, meetings, baseline survey, and public consultations. Overall, the total number of persons consulted by the social development and resettlement specialist was 803 (of which 395 or 49% were women) including 592 survey respondents and 56 agencies and/or organizations.

3. **Civil society organizations.** Collaboration with existing nongovernment organizations and community-based organizations, such as farmers' and women's groups, will be emphasized during project implementation. The implementing agencies will also engage local people through village leaders, the Yao ethnic minority, women's organizations, contractors, research institutes, and other private sector participants.

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

H  Information gathering and sharing; H  Consultation; M  Collaboration; M  Partnership

5. **Participation plan.** Will a project-level participation plan be prepared to strengthen participation of civil society as interest holders for affected persons, particularly the poor and vulnerable?  Yes  No

A community consultation and participation plan and a stakeholders' communication strategy have been prepared to serve as guides during consultations and ensure meaningful CSOs' participation during project implementation.

## III. GENDER AND DEVELOPMENT

Gender mainstreaming category: Effective gender mainstreaming

### A. Key Issues

Women generally assume more household duties and engage more in agricultural production, while men take more nonfarm work. Therefore, women are more affected by water shortage and water service quality than men. Men are the main source of family income in most households, while women face more difficulties in finding off-farm employment. The women in the project area are active in economic activities, working as farmers in orchards, vegetables, food processing, and various kinds of jobs in addition to performing household roles. The men are considered household heads, although the women who were consulted claimed equality in decision making. Women are actively involved in community activities as women cadres, cleaners, and other roles. Overall, the women are in favor of the project as it will improve health conditions, improve sanitation, prevent pollution, and provide households a reliable and safe drinking water. Likewise, women's participation in community environmental awareness building, various public awareness activities, and water tariff public hearings will strengthen the effectiveness of the project activities and enhance project sustainability.

### B. Key Actions

Gender action plan (GAP)  Other actions or measures  No action or measure

The key activities and indicators in the GAP include the following: (i) the proportion of women to all participants during project consultations in the detailed design is at least 40%; (ii) at least 40% of the participants in community awareness on improved wastewater management practices and livelihood training are women; (iii) the Yao ethnic minority, resettlement-affected households, and female-headed households are involved during stakeholder consultation and related activities; (iv) at least 40% of beneficiaries of water tariff workshops are women; (v) women are equally represented in proportion to all participants in public hearings on wastewater tariff increase; (vi) labor numbers hired to particular positions are disaggregated by sex; (vii) at least 40% of permanent jobs and 25% of unskilled construction labor for civil works are held by women; and (viii) 40% of officials participating in capacity building activities are women.

## IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

**A. Involuntary Resettlement** **Safeguard Category:**  A  B  C  FI

1. **Key impacts.** The project will acquire a total of 189.06 hectares (ha) of land, including 12.28 ha of collective land and 176.77 ha of state-owned land; and an additional 65.29 ha of land will be occupied temporarily. The project will demolish 1,539.1 square meters of housing, which impacts 10 households. Land acquisition will affect 573 people, of which 284 will lose more than 10% of their productive assets and/or be physically displaced.

2. **Strategy to address the impacts.** A resettlement plan was prepared in line with ADB's Safeguard Policy Statement (2009) and was disclosed to affected people in the local language. Compensation for lost assets and resettlement allowances will be paid to affected persons prior to the commencement of related civil works, and income restoration and livelihood rehabilitation will be arranged in accordance with the resettlement plan. The project management office (PMO) and implementing agencies will assume responsibility for planning, implementing, financing, and reporting on land acquisition and resettlement. The PMO will engage an independent agency to conduct resettlement monitoring.

<b>3. Plan or other actions</b>	
<input checked="" type="checkbox"/> Resettlement plan	<input type="checkbox"/> Combined resettlement and indigenous peoples plan
<input type="checkbox"/> Environmental and social management system arrangement	
<input type="checkbox"/> No action	
<b>B. Indigenous Peoples</b>	<b>Safeguard Category:</b> <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI
1. <b>Key impacts.</b> The project will bring positive impacts or benefits to the Yao ethnic minorities in the project area, with no direct adverse impacts to them. Is broad community support triggered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
2. <b>Strategy to address the impacts.</b> An ethnic minority development plan (EMDP) has been prepared for the project to ensure project benefits are inclusive for the Yao people and culturally appropriate.	
<b>3. Plan or other actions</b>	
<input checked="" type="checkbox"/> Indigenous peoples (IP) plan/EMDP	<input type="checkbox"/> Combined resettlement framework and IP planning framework
<input type="checkbox"/> IP planning framework	
<b>V. ADDRESSING OTHER SOCIAL RISKS</b>	
<b>A. Risks in the Labor Market</b>	
1. Relevance of the project for the country's or region's or sector's labor market <input type="checkbox"/> unemployment; M <input checked="" type="checkbox"/> underemployment; <input type="checkbox"/> retrenchment; L <input checked="" type="checkbox"/> core labor standards	
2. <b>Labor market impact.</b> During project construction, about 3,410 jobs will be created to provide employment opportunities for local people, of which 25% will be for women. About 1,360 permanent jobs will be needed during operations, of which 40% will be for women. About 30,000 local people will also benefit from livelihood training.	
<b>B. Affordability</b>	
Willingness-to-pay and affordability analyses were conducted for solid waste, wastewater treatment, and water supply subprojects. About 57% of the 592 survey respondents are willing to pay part of the costs for improvement of water facilities, and about 55% are willing to pay part of the cost for solid waste disposal development. A lower percentage of the respondents (23.4%) are willing to pay for improvements in wastewater treatment during the survey. This is because that the majority of respondents in the rural villages do not pay for wastewater treatment. Local governments and village leaders gave assurance during stakeholder consultations that they are willing to assist households with low incomes that may have difficulty paying part of the costs for the water pipe connection fee, and tariffs for improved solid waste and wastewater treatment facilities.	
<b>C. Communicable Diseases and Other Social Risks</b>	
1. The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA): L <input checked="" type="checkbox"/> Communicable diseases NA <input type="checkbox"/> Human trafficking <input type="checkbox"/> Others (please specify) _____	
2. <b>Risks to people in the project area.</b> Loan assurances, the social development action plan (SDAP), and the GAP require the dissemination of information on communicable diseases in construction sites for all new employees at their time of mobilization. The prevention of HIV epidemic and other communicable diseases clauses will be included in contractor bidding documents to ensure that the contractor will provide training and/or information dissemination to all labor hired during project implementation.	
<b>VI. MONITORING AND EVALUATION</b>	
1. <b>Targets and indicators.</b> Targets and indicators ensuring women's participation during project implementation are defined in the EMDP, GAP, SDAP, and the design and monitoring framework.	
2. <b>Required human resources.</b> The executing and implementing agencies will appoint staff for internal monitoring; and an independent monitoring agency or specialists will be recruited for external monitoring of the EMDP, GAP, SDAP, and resettlement plan. The PMO will hire national resettlement and social development specialists during project implementation. The budgets for monitoring and evaluation are included in each plan.	
3. <b>Information in the project administration manual.</b> Requirements for semiannual monitoring reports of the resettlement plan and the EMDP, and the semiannual monitoring reports of the GAP and SDAP, are included in the project administration manual.	
4. <b>Monitoring tools.</b> Internal monitoring results will be included in the project progress reports, and external monitoring and evaluation reports will be submitted to ADB separately.	

Source: Asian Development Bank.