

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	China, People's Republic of	Project Title:	Chongqing Integrated Logistics Demonstration
Lending/Financing Modality:	Project loan	Department/Division:	East Asia Department/Transport and Communications Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The project is consistent with ADB's country partnership strategy for the PRC for 2011-2015, which seeks to improve transport efficiency through intermodal transport and related logistics services development. Chongqing is one of the five national cities in the PRC, and is part of the less developed western region. The Central Government has launched a plan to create New Area in Chongqing to support development in the western region and promote more balanced regional development. Development of the transport and logistics sector is part of this plan. The proposed project will improve efficiency of logistics operations, which will enhance investment and employment opportunities and reduce the price of consumer goods, contributing indirectly to poverty reduction objectives.

B. Targeting Classification

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

The project will improve the logistics facility and logistics information system in Chongqing which will reduce the costs of goods and eliminate the shortages of logistics service. The project will thus indirectly contribute in poverty reduction by facilitating rapid economic development in Chongqing, and providing new job opportunities, particularly in the logistics centers. Additionally, The project will also contribute to the reduction in urban congestion, improvement in air quality, and living conditions by diverting freight traffic from Chongqing Municipality, which will benefit all residents in Chongqing.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

The primary beneficiaries are people and industries located in Chongqing, especially those engaged in trade and logistics. The construction of the project will also create job opportunities for local people, and will provide them and local industries more reliable, efficient and cost effective logistics services to promote investment, create job opportunities and to reduce consumer prices. According to data provided by Chongqing Poverty Alleviation Bureau, the rural poverty incidence (the standard is annual per capita income of CNY 2,300) of project areas is less than 3%, which is much lower than an average poverty incidence of 8.5% of Chongqing in 2013, since the affected areas belong to urban area of Chongqing and are more developed.

2. Impact channels and expected systemic changes.

The project has the potential to benefit people in the project area through employment during the construction and operation of the project through increased availability of consumer goods at a reduced cost; and improved local trade opportunities. Any possible constraints to access the benefits and services will be examined and addressed during the PPTA and a comprehensive SDAP will be prepared.

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

The PPTA will assess the social and poverty impacts of the project components and help to ensure that (i) benefits flow to all segments of the population, (ii) livelihoods are maintained, and employment is generated, and (iii) the designs are socially and environmentally sustainable. Sufficient resources will be allocated to undertake social and poverty analysis. Two social specialists (international 1 person month and national 2 person-months) will be part of the PPTA team. Their terms of reference will include poverty and social analysis, and requirements to ensure proper socially sustainable project design and measures to mitigate potential negative impacts.

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 improved logistics infrastructure will benefit women equally. Employment opportunities for women will occur during and after project completion (e.g., unskilled work during construction, area development, and induced economic development).

How the project could contribute to addressing women's development related needs will be further assessed during the PPTA to incorporate appropriate gender measures in the project design. The project is unlikely to cause any adverse impacts for women. Any potential risks, however, will be assessed and, if required, measures will be developed to avoid or minimize these.

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

The project will result in job creation mainly during its operation and will provide women job opportunities. The SDAP will be developed during PPTA to ensure appropriate measures including employment opportunities and training skills for benefitting women.

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

Yes No

The project is unlikely to have any adverse impacts on women/girls. The potential risks will be further assessed during the PPTA.

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 government agencies at all levels, local businesses, freight forwarders, the local communities, entrepreneurs, and project affected households by LAR.

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 project will have a consultation and participation strategy to ensure meaningful consultation with all stakeholders. The consultation and participation strategy will ensure timely information to communities, project affected households and all relevant agencies. Modes of consultation and participation will include organizing public meetings, focus groups, and such other modes of direct consultation with affected communities and affected households.

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?

H Information generation and sharing **H** Consultation **H** Collaboration **H** Partnership

Village committees including local women's federations will be consulted during project preparation. An independent monitoring agency from a university or a research institute will be engaged to monitor implementation of resettlement and social development measures developed for the project.

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

The participations of the people affected by land acquisition is required to ensure that compensation policies, relocation plans and livelihood restoration programs include and address the affected peoples concerns and recommendations. The poor and vulnerable among the affected people will be specifically consulted and strategies will be developed to ensure that these groups are not disproportionately impacted. For poor and excluded, consultations during the social and poverty analysis will be undertaken to ensure their concerns are addressed under the SDAP.

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 is categorized as A for involuntary resettlement. It is estimated that 780 mu land will be acquired affecting approximately 580 households with 2,100 persons. A socio-economic analysis of the project impacts will be undertaken and measures will be developed to deal with any possible negative impacts. People affected by involuntary resettlement will be consulted and their recommendations will be integrated in the resettlement plan that will be prepared to deal with the impacts of involuntary resettlement.

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

There are no indigenous communities in the project area.

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

Since there are no indigenous communities in the project area, then broad community support is not required.

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

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

These social issues and risks will be adequately assessed during the PTA and proper measures will be developed in the SDAP.

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?

One international specialist (1 person month) to oversee resettlement and social development aspects and 2 national specialists (2 person months each) to undertake resettlement and social and poverty analysis are provided.