

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	People's Republic of China		Xinjiang Kelamayi Ecological Forest Infrastructure Project
Lending/Financing Modality:	Project	Department/ Division:	EARD/EAER

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The directions of the People's Republic of China (PRC) for national poverty reduction are set under cross-cutting five-year plans (FYP). The proposed project is consistent with the PRC's Twelfth FYP's (2011–2015) long-term goal of building a prosperous society through regionally balanced and environmentally sustainable growth, and the PRC's development strategy for the Western Region, in which the Xinjiang Uygur Autonomous Region (XUAR) is a top priority. XUAR is one of the poorest and most remote regions in the northwest with a large ethnic minority population of 46% Uygur, 40% Han Chinese, and 15% other minority ethnic groups^a. Around 97% of the population lives in an oasis belt covering only 8% of the region's total land area. The project is also in line with ADB's PRC country partnership strategy, 2011–2015 in supporting the environment-poverty nexus.

Kelamayi Municipality has experienced rapid urban and economic growth for the past several decades, placing severe pressure on its natural resources, particularly water. The project area, the largest agricultural development area of Kelamayi Municipality, uses a significant portion of Kelamayi Municipality's water resources. The project will support strengthening of water conservation approaches in the target area, focusing on water-use efficiency and more locally-appropriate (drought-resilient) agroforestry practices. It is expected to improve water conservation and environmental improvement, leading to more sustainable ecological, social, and economic development in Kelamayi. Under the project, local stakeholders will be trained in improved food safety and sustainable cropping practices, which will in turn stabilize employment and livelihood in stakeholder communities (including seasonal workers coming from outside the project area) and improve over all food security for the area. Further details will be investigated during the project preparatory technical assistance (TA).

B. Poverty Targeting

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

The consequences of the current unsustainable water utilization and irrigation practices are: (i) future water supplies and agricultural production are at risk; and (ii) high levels of soil salinization, on the back of over-irrigation and rising ground water, in turn negatively impacting agricultural and forestry production. Non-structural design elements to ensure benefits reach poor, marginalized, and vulnerable stakeholders (including a substantial seasonal migrant workforce and ethnic minorities) will be prepared during the TA stage. Initial discussions with the government suggest that non-structural measures are welcome and may include: (i) gender and culture-sensitive and inclusive livelihood activities; (ii) training on sustainable practices in livestock and husbandry, food safety, climate and drought-resistant cropping, water conservation and environmental rehabilitation; (iii) introducing pro-poor approaches to supply chain management and sourcing inputs for agriculture and livestock from local stakeholder communities; and (iv) moving towards a more holistic water policy, focusing on conservation, mitigation of conflicting and increasing demands from diverse user groups, and tiered water pricing.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. All population in the project area will benefit from improved practices in water and agricultural practices, reversal of environmental damages, and eventual increases in food security and water conservation, but those depending on agriculture and forestry for livelihood more so. Increased forest cover may also serve as a shelterbelt, with the potential to protect city dwellers from wind and sand storms, and in reducing soil erosion. The TA will assess particular needs of local communities, including poor, vulnerable and IP populations, such as non-structural measures, possible subsidies, etc.; TA will also look in to the question of benefits of seasonal workers from outside the project area.

2. Impact channels and expected systemic changes. Income in the project (farm) area appears to be mostly derived from forestry and agricultural production for the Kelamayi Municipality and other urban centers in Xinjiang. It was reported that about 20% of the vegetables and fruits produced in the project area are sold to the local market, and around 70% of milk and milk products, while the remaining are exported to other urban areas of XUAR. The project area is managed by two large state-owned enterprises, currently employing around 10,000 seasonal workers on temporary contracts (average 8 months; many from outside the project area) and around 300 permanent technical and managerial staff. It is expected that additional employment for another 6,000 workers and 100 permanent staff

will be created during the project. Nature of employment will become more permanent given the activities planned for phase 2 (e.g., agroforestry, including limited animal husbandry, which is less seasonal in nature and may require labor throughout the year).

3. Focus of (and resources allocated in) the TA or due diligence. During TA implementation, potential targeted activities to involve local communities, including poorer and vulnerable households will be identified. A social development consultant will be part of the TA team. The project will need to ensure proper assessment of the ethnic minority safeguard issues and seek options to target employment opportunities, and ensure consultation and involvement in design and implementation of project activities.

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 TA will explore venues to ensure stakeholders, including women, are benefiting equally. The TA will design trainings that that will be inclusive to men and women both, and promote female employment opportunities.

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.

The project will provide gender-neutral engineering solutions for improved water and land management. For any non-structural measures, targets will be designed to ensure women benefit and participate equally.

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

Yes No Please explain

The project is proposing gender-neutral engineering solutions for addressing environmental problems and improving water and agroforestry land management. These interventions will benefit all stakeholder communities in the project area.

4. Indicate the intended gender mainstreaming category:

GEN (gender equity) EGM (effective gender mainstreaming)

SGE (some gender elements) NGE (no gender elements)

At the current stage, there is not enough information to design for EGM in the project area. This will be looked in to further during TA due diligence.

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.

Main stakeholders are the involved government agencies, such as the Kelamayi Municipal government, as well as the local agricultural development committee and the state owned enterprises, forming the executing, implementing and management groups of the project and ADB. The TA will determine who the beneficiaries are, how they are represented, and which populations are negatively affected. All stakeholders will be consulted and participatory meetings held to ensure their voices are heard during the TA.

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?

Local communities, workers, and beneficiaries will need to be engaged through non-structural and community based measures in water and agricultural management. Ways to engage and empower stakeholders and beneficiaries will be explored during the TA.

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?

Information generation and sharing Consultation Collaboration 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

This will be revisited during TA stage, particularly in regards to seasonal or temporary labor.

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 involves no land acquisition, no involuntary resettlement of persons or structures. It is state-owned land, not inhabited. This will be confirmed during TA stage.

<p>2. What action plan is required to address involuntary resettlement as part of the TA or due diligence process?</p> <p><input type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix</p> <p><input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> None</p>
<p>B. Indigenous Peoples Category <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>The executing and implementing agencies confirmed that ethnic minorities constitute around 25% of Kelamayi Municipality's population. Around 35% of the seasonal workers in the project area are from ethnic minority communities. The project has been categorized as "B" for IP. Further due diligence will be conducted during the TA.</p> <p>2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>This will be reconfirmed during TA due diligence.</p> <p>3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>There is no reason to trigger broad community support.</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the TA or due diligence process?</p> <p><input checked="" type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Social Impact matrix</p> <p><input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None</p>
<p align="center">V. OTHER SOCIAL ISSUES AND RISKS</p> <p>1. What other social issues and risks should be considered in the project design?</p> <p><input checked="" type="checkbox"/> Creating decent jobs and employment <input checked="" type="checkbox"/> Adhering to core labor standards <input type="checkbox"/> Labor retrenchment</p> <p><input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS <input type="checkbox"/> Increase in human trafficking <input type="checkbox"/> Affordability</p> <p><input type="checkbox"/> Increase in unplanned migration <input type="checkbox"/> Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability</p> <p><input type="checkbox"/> Creating internal social conflicts <input type="checkbox"/> Others, please specify _____</p> <p>2. How are these additional social issues and risks going to be addressed in the project design?</p> <p>Mitigation strategies will be prepared and relevant covenants incorporated in documentation. Loan assurances will be prepared to ensure contractors are adhering to applicable national and international labor standards. Support for local stakeholders, including poor and vulnerable households to ensure they have livelihood security will be designed into the project.</p>
<p align="center">VI. TA OR DUE DILIGENCE RESOURCE REQUIREMENT</p> <p>1. Do the terms of reference for the TA (or other due diligence) contain key information needed to be gathered during TA or due diligence process to better analyze (i) poverty and social impact; (ii) gender impact, (iii) participation dimensions; (iv) social safeguards; and (v) other social risks. Are the relevant specialists identified?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>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 TA or due diligence?</p> <p>One international and one national social development consultant will be part of the TA team to ensure the appropriate project design components and plans are prepared.</p>

^a All national and provincial data refers to year 2010 from the People's Republic of China and Xinjiang Uyghur Autonomous Region Statistical Yearbook (unless otherwise stated). All municipal data refers to year 2013 from the Kelamayi Municipality Statistics Bureau.