

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	China, People's Republic of	Project Title:	Jiangxi Xinyu Kongmu River Watershed Flood Control and Environmental Improvement
Lending/Financing Modality:	Project loan	Department/Division:	East Asia Department/Environment, Natural Resources & Agriculture Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The project will protect ecological environment and improve water security including integrated water resources management, and is consistent with (i) a decision of the Third Plenary Session of the 18th Central Committee of the Communist Party of China held in Beijing in November 2013; (ii) Asian Development Bank's (ADB's) recommendations for preparation of the Thirteenth Five-Year Plan of the PRC, 2016–2020; (iii) ADB's upcoming Country Partnership Strategy for the PRC, 2016–2020; (iv) ADB's strategy 2020 and the midterm review of the strategy; and (v) ADB's Water Operational Plan, 2011–2020. ADB has been supporting projects on flood including waterlogging and environmental management in the PRC and other countries. Lessons learned from those projects, such as international best practices for flood management and nonstructural measures for flood and environmental management will be reflected in the project design.

The project will improve flood management and avoid deterioration of water quality in Xinyu City, therefore improve and stabilize livelihood of poor households and reduce their vulnerability to flooding and low quality water. The project will also improve the overall well-being of the urban population in terms of waterlogging, wastewater, and solid waste management, and water supply.

B. Targeting Classification

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

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

0.15 million people living in Kongmu river watershed out of the current Xinyu City's total population of 1.16 million, and 0.08 million people who will live by completion of the project in an area being newly developed in upper Kongmu river watershed, are expected to benefit from the project. They would benefit from improved management of surface water resources, particularly flood management and environmental improvement. Since lack of proper flood and environmental management impacts poor households, they are expected to benefit from the project over-proportionally.

2. Impact channels and expected systemic changes.

The project preparatory technical assistance (TA) will assess particular needs of poor and vulnerable populations, such as subsidies for tariff increases for wastewater and solid waste management, and water supply, and other nonstructural measures for managing the environment and floods. The TA will quantify impacts and benefits of the project. Land loss or change in land use will impact particularly farmers whose farmlands will be acquired for construction. The project will create limited numbers of jobs in construction that will be mostly available for local people, like poorer people with fewer income sources. The project aims to improve management of surface water resources in Xinyu City to benefit all people living in Kongmu River watershed, but poorer people with fewer coping strategies for floods and deteriorating environment should benefit over-proportionally.

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

The TA consultant team will include international social development and resettlement specialist, a national social development specialist, and a national resettlement specialist. Budget will be included for these specialists to conduct field surveys. In order to identify project impacts on poor and vulnerable people, assess benefits, and ensure benefits are accrued by those people, the specialists will (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 a resettlement plan, a social action plan, a gender action plan, and a consultation and participation plan. In addition, during the TA, nonstructural measures which will benefit poor and vulnerable people will be identified. These would include activities to manage environment and floods.

4. Specific analysis for policy-based lending.

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?

It is assumed that the lack of environmental management such as lack of wastewater collection, and impacts of flood events, damage vulnerable people, in particular women, since deteriorating environment and floods are a burden on women who have more responsibility than men in caring for sick or weak family members and in protecting children and elderly people during floods. Also, as a rural area, Xinyu City lacks employment and capacity building opportunities for women, as they come under increased stress due to the rapid change from a rural to an urbanized environment.

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 TA will develop design elements which will ensure vulnerable and women in the project area benefit equally. A gender action plan will be prepared during the TA, which will focus on employment generation and capacity building for women under the project, and empowering women through improved participation in the management and non-structural measures.

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

Yes No

Potential adverse impacts of the project will include land acquisition and resettlement, and construction impacts which will impact all genders and not particularly women. Adverse impacts will be mitigated through project design measures, an environmental management plan, and a resettlement plan.

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.

Main stakeholder is the Xinyu city government that will be the executing agency, as well as project neighborhoods and villages. Beneficiaries are represented through their village committees. The stakeholders will be consulted during project designing to ensure the project design corresponds to their needs. Particularly, negatively-affected people (such as farmers) will be consulted through participatory meetings, to ensure their voices are heard.

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?

During the TA, nonstructural measures which will benefit poor and vulnerable people will be identified. These would include activities to manage environment and floods.

The project will have economic and physical displacement impacts that have to be mitigated, and people to be displaced will be consulted. Poor and vulnerable displaced people should be better off after displacement, through livelihood restoration measures that are integrated with project activities.

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 **C**ollaboration **P**artnership

Village and neighborhood representation, women's federation, and community-based groups will participate in the designing of 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 design of livelihood restoration measures for people to be economically displaced and the design of nonstructural measures will need the participation of poor and vulnerable beneficiaries.

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 activities include capacity increase of lakes, construction of canals to connect the lakes and Kongmu River, and construction of embankments along Kongmu River. Permanent land acquisition of at least 300 hectare (state land, paddy

land, dry land, gardens, forest land, unutilized land, water surface, etc.) including house demolition of at least 1,200 square meters (16 houses) and temporary land acquisition of at least 13 hectare are currently anticipated for capacity increase of lakes and construction of canals. The number of affected people is currently unknown, but will be more than 200.

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

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

No indigenous communities are identified in the project area.

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(L) Labor retrenchment
 Spread of communicable diseases, including HIV/AIDS (L) Increase in human trafficking Affordability(M)
 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?

During the TA, a social action plan will be prepared to highlight issues related to employment and affordability and prepare mitigation activities to ensure those issues are addressed properly during implementation.

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?

Social development specialists, resettlement specialists, budget for survey, and budget for workshops to be conducted by the TA team are included in the TA (2.25 person-months of international and 7.00 person-months of national).