

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	People's Republic of China	Project Title:	Qinghai Haidong Urban-Rural Eco Development Project
Lending/Financing Modality:	Project	Department/ Division:	East Asia Department/Urban and Social Sectors Division

<b>I. POVERTY IMPACT AND SOCIAL DIMENSIONS</b>
<p><b>A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy</b></p> <p>The project will facilitate environmentally sustainable and climate-resilient urban and rural development in Haidong and will improve living conditions of people. The expected outcome of the project is improved access to safe drinking water, water conservation, higher rates of municipal solid waste collection and management, and contributions to ecological river rehabilitation and urban flood protection. Eventually, Haidong city is aimed to be an eco-city which will attract more investments and tourism and together the improvement of overall social and economic aspects.</p> <p>The proposed project is in line with the People's Republic of China's Twelfth Five-Year Plan (FYP) objectives of ecological and sustainable urban development, and will be aligned with the 13th FYP. It is aligned with ADB's country partnership strategy for the PRC 2011–2015 supporting sustainable and environmentally friendly urban development. The project is in line with the "Twelfth Five-Year Plan (2011–2015) of the PRC's Western Development Program" which prioritizes infrastructure improvement and emphasizes strengthening ecological construction. Further, the project is consistent with ADB's urban operational plan and its focus on inclusive, green, and competitive urban development and it supports ADB's water operational plan with its objectives of water efficiency and integrated water resource management.</p>
<p><b>B. Poverty Targeting</b></p> <p><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.)</p> <p>The project will provide infrastructures which improve water availability, prevent flood damage, and improve the overall living conditions of Haidong residents. The project will also help sustain the natural habitats and achieve ecological sustainability.</p>
<p><b>C. Poverty and Social Analysis</b></p> <p>1. Key issues and potential beneficiaries.</p> <p>The expected beneficiaries of the project are: (i) Urban and rural residents in Ledu and Ping'an counties and part of Huzhu county of Haidong city, especially for those who do not have enough drinking water supply, and those with deteriorated living conditions near the Huangshui River; and (ii) local governments and institutes whose institutional capacity will be increased through this project. Access to cleaner, reliable, and affordable water; increased resistance to flooding; and higher resilience to climate change and deteriorated environment are the needs of the potential beneficiaries of this project. Lack of advanced management capacity on the Huangshui watershed and inadequate public education and participation might be constraints to access the proposed benefits and services. The project will ensure that the ethnic minorities and poor households will be positively impacted.</p> <p>2. Impact channels and expected systemic changes.</p> <p>The project will provide positive impacts through both structural and non-structural measures. Potential beneficiaries will be impacted directly through access to reliable and affordable safe drinking water, higher resistance to flood damage, enhanced living conditions, and improved management capabilities. Through the project implementation, the overall social and economic status will grow together with the improvement of the urban-rural environment, and this will bring further indirect benefits to the local people and the sustainable development of Haidong city. The project will address the possible constraints by optimizing the components design, strengthening the local government management capacity, and exploring the possibilities of non-structural components in many aspects during project implementation.</p> <p>3. Focus of (and resources allocated in) the PPTA or due diligence.</p> <p>The PPTA will focus on (i) collecting social and poverty data in assessing the current needs in social and poverty aspects; (ii) assessing the affordability for accessing the water supply and solid waste management services; (iii) assessing types of employment opportunities, and identifying effective measures in improving employment opportunities for local people, including the poor and women; (iv) assessing the negative impact and compensation mechanisms for those involved in land acquisition and resettlement during project implementation; and (v) identifying effective mechanisms for community-based awareness activities (environmental and water and sanitation and solid waste collection) and participating in project monitoring activities. The PPTA will allocate inputs of 2 person-months for international resettlement and social development specialist, 3 person-months for national resettlement specialist, and 3 person-months for social development specialist.</p> <p>4. Specific analysis for policy-based lending. – Not applicable</p>

## 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?

Key gender issues include (i) ensuring access to employment opportunities generated by the project development, and (ii) ensuring meaningful participation in the decision-making to ensure incorporation of women's needs and interests in such programs. The poverty and social analysis will conduct gender analysis to identify possible risks and effective mitigation measures. Gender analysis will also look at issues of access and time burdens for water and sanitation, and lack of environmental protection.

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 improve water supply and reuse which will cover broader water application areas, including those in rural communities. The project will improve the living conditions through strengthening solid waste collection system in rural areas where women are main labor in those households. The project will also provide trainings on women's benefits from the project, and encouraging women's participation during and after project implementation. The project will try to create employment opportunities in water supply business and other habitat restoration projects (green belt and wetlands construction, etc.)

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

Yes  No

The project will not have adverse impact on woman and/or girls or widen gender inequality.

4. Indicate the intended gender mainstreaming category:

GEN (gender equity)  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 of the project include Haidong Development and Reform Commission, Water Resources Bureau, Finance Bureau, Environment Protection Bureau, Land Resources Bureau, Forestry Bureau, Ethnic and Religious Affairs Bureau, Women's Federation, Planning and Construction Bureau and Ledu and Ping'an county governments. The stakeholders also include the beneficiaries and negatively impacted people from the project. They will participate in the project design through consultations and series of review and approval processes. Potentially affected urban as well as rural communities, will participate in public consultations during the domestic environment impact assessment preparation and will also have an opportunity to engage in project design improvement through potential public consultation meetings and other communication channels that will be set up during the project preparation stage as well as project implementation.

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?

Accessibility and affordability of water supply, solid waste system, and resistance to flood damage among various income groups will be assessed during the PPTA implementation through social survey and interviews.

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 (H)  Consultation (H)  Collaboration (M)  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

Key documents, such as the SAP, GAP, resettlement plans, EMDP, and EMP will outline consultation and participation for implementation. Loan assurances will address implementation and monitoring of the plans. Local people will be consulted during PPTA implementation and preliminary design through consultations. PPTA will conduct poverty and social analysis and address social safeguards. Socioeconomic survey, stakeholder workshops, focus group discussions, and informant interviews will be conducted during the PPTA. This will be complemented by survey and consultations under the resettlement, environment, and indigenous peoples' safeguards.

## 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

According to the project proposal, there will be land acquisition and resettlement for (i) the river embankment project, which will include very few (if any) house demolition and farmland acquisition; (ii) construction of landfill will try to avoid any land acquisition, but small scale of land acquisition is not excluded; and (iii) the water supply pipeline network, water reuse pipeline might cause temporary land acquisition. The resettlement consultant of the PPTA team will

collect additional information, develop measures to minimize the involuntary resettlement impact, and assist the borrower in preparing resettlement plans.

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

The project areas are in Haidong city where Hui, Sala, Tu, and Zang, are the major ethnic minorities. Some of the project components will be in urban areas, with ethnic minorities forming about 10% of residents. In rural areas, ethnic minority communities might be among those benefiting from the solid waste collection system, water supply network and non-structural measures. During the PPTA, surveys will be conducted to quantify the ethnic minorities' population and beneficiaries and to assess the impacts. Measures will be developed to ensure ethnic minority communities will be benefited from the project in a culturally appropriate way, and that adverse effects, should any be identified, are avoided or mitigated.

3. Will the project require broad community support of affected indigenous communities?  Yes  No  
No ethnic minorities will be affected in ways that would require broad community support under ADB's Safeguard Policy Statement (2009).

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 (L)  Adhering to core labor standards (L)  Labor retrenchment  
 Spread of communicable diseases, including HIV/AIDS (L)  Increase in human trafficking  Affordability (L)  
 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?

Affordability of increased tariffs to poor and vulnerable households will be assessed during the PPTA and mitigation measures, such as subsidies or exemptions, will be developed. The project will create employment opportunities during construction and operation. The use of core labor standards will be included in the assurances.

HIV/AIDS clauses will be included in the bidding documents, and awareness and prevention activities will be during project implementation and included in the assurances. The project will reduce vulnerability to flooding.

#### 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 (v) 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?

The PPTA will have inputs of 2 person-months for international resettlement and social development specialist, 3 person-months for national resettlement specialist, and 3 person-months for social development specialist.

During PPTA stage, social survey will be conducted and social and resettlement training and workshop will be held to enhance the local awareness and minimize the adverse impact in these aspects.