

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	People's Republic of China	Project Title:	Xinjiang Changji Integrated Urban-Rural Infrastructure Demonstration Project
Lending/Financing Modality:	Project	Department/Division:	East Asia Department/Urban and Social Sectors Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The project seeks to develop urban and rural infrastructure and improve municipal services and the urban and rural environment in Changji Hui Autonomous Prefecture (Changji), Xinjiang Uygur Autonomous Region (Xinjiang). The project will contribute to poverty reduction by (i) expanding access of urban, rural, and peri-urban residents, including the poor to municipal services (water supply and sanitation, wastewater treatment, district heating); (ii) improving public health and living conditions; and (iii) supporting direct and indirect employment opportunities with an enabling investment environment and enhanced access to market.

The project is in line with the Changji's priorities on integrated urban and rural development and environmental improvement. The project supports economically and social inclusive urbanization and rural-urban development in Changji, contributes to Xinjiang's economic development, thereby supports the Thirteenth Five-Year Plan, 2016–2020 of the People's Republic of China (PRC). The project also supports the (i) PRC's national poverty reduction strategy for development in small-and medium-sized cities and towns to decrease the income gap between urban and rural residents; (ii) PRC's National Strategy for Development of the West in improving urban infrastructure and environment, and stimulating economic development in the region; and (iii) PRC's New-type Urbanization Plan (2014–2020) by supporting environmentally sustainable urban development with focus on people, and improving urban services of small cities and towns. Further, the project is consistent with the urban operational plan of the Asian Development Bank (ADB) and its focus on inclusive, green, and competitive urban development. The project aligns with the ADB's country partnership strategy for the PRC, 2011–2015 by promoting sustainable and environment-friendly urban development.

B. Poverty Targeting

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

The project will improve the peri-urban infrastructure and environment which will increase the number of residents with access to safe drinking water and basic sanitation (Target 7 c).

C. Poverty and Social Analysis

1. **Key issues and potential beneficiaries.** The expected beneficiaries of the project are (i) peri-urban village residents in Fukang City, Ganhezi Town of Fukang, and Hutubi and Qitai counties; especially those who do not have constant drinking water supply, wastewater facility, district heating, and access roads to urban facilities and services; and (ii) local governments and institutes whose institutional capacity will be increased through this project.

2. **Impact channels and expected systemic changes.** The living conditions of the beneficiaries are expected to improve due to increased and better access to municipal services, e.g., water supply and sanitation; heating supply network; and improved roads to access urban services, markets, and employment opportunities. In addition, establishment of a technical vocational center (or support equipment or facility) will support high-skill employment in Fukang city through enhancing skills and knowledge of local people based on labor market demands.

3. **Focus of (and resources allocated in) the project preparatory technical assistance (PPTA) or due diligence.** The PPTA will (i) collect data to assess current needs in social and poverty aspects; (ii) assess the affordability to access water supply, wastewater, and solid waste management services; (iii) assess types of employment opportunities, and identify effective measures to improve employment opportunities for local people, including the poor and women; (iv) assess the training needs of local people in Fukang based on labor market demands; and (v) identify effective mechanisms for community-based awareness activities and participation (road safety, environmental, water and sanitation, and heating supply) and participate in project monitoring activities. The PPTA will allocate inputs of 2 person-months of international and 3 person-months of social development specialist.

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

<p>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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please explain.</p> <p>Gender analysis will be conducted as part of the PSA, and gender concerns and needs will be incorporated in the design and implementation of the project. Gender action plan will be developed, which will incorporate strategies, mechanisms and actions for addressing gender concerns. Opportunities will be explored to collaborate with All China Women's Federation on women's employment, training, public consultation, and awareness raising issues. Additional focus will be given to review how ethnic and religious values and practices can be used to promote the involvement of Muslim women in project activities.</p> <p>3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please explain</p> <p>All people will benefit from improved living conditions and access to municipal services.</p> <p>4. Indicate the intended gender mainstreaming category: <input type="checkbox"/> GEN (gender equity) <input checked="" type="checkbox"/> EGM (effective gender mainstreaming) <input type="checkbox"/> SGE (some gender elements) <input type="checkbox"/> NGE (no gender elements)</p>
<p>II. PARTICIPATION AND EMPOWERMENT</p>
<p>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 of Xinjiang and Changji, development and reform commissions, water resource bureaus, design institutes, finance bureaus, women's federations, poverty reduction bureaus, land resource bureaus, civil affairs bureaus, planning bureaus, and housing and urban-rural construction bureaus of relevant city, counties, and town. The stakeholders also include project beneficiaries and affected people.</p> <p>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? A PSA and consultation meetings will be conducted during the PPTA to identify views and concerns of the beneficiaries, especially vulnerable groups, to inform the project design and develop measures for effective implementation of the project. Mechanisms of local communities' engagement will also be studied to improve water and sanitation and solid waste management service delivery process. Accessibility and affordability of water supply and sanitation and heating services will be assessed during the PPTA through the PSA.</p> <p>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? <input checked="" type="checkbox"/> Information generation and sharing (H) <input checked="" type="checkbox"/> Consultation (M) <input type="checkbox"/> Collaboration <input type="checkbox"/> Partnership</p> <p>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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Key documents, such as the environmental management plan, ethnic minority development plan, gender action plan, resettlement plans, and social development action plan will outline consultation and participation of beneficiaries. Loan assurances will address implementation and monitoring of the plans. Local people will be consulted during the PPTA and preliminary design. The PPTA will conduct PSA, consultations, and stakeholders' workshops and address social safeguards. Social inclusion measures will be incorporated into project design directly or as part of the gender action plan or social development action plan.</p>
<p>III. SOCIAL SAFEGUARDS</p>
<p>A. Involuntary Resettlement Category <input checked="" type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No The project will involve land acquisition resulting in significant physical and economic displacement in Fukang City, Ganhezi Town of Fukang, and Hutubi and Qitai counties.</p> <p>2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process? <input checked="" type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input 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>

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 Changji prefecture where Hui, Kazakh, and Uygurs are the major ethnic minorities. Some of the project components will be in urban areas, with ethnic minorities forming about 25% of residents. In rural areas, ethnic minorities might be among those benefiting from water supply and sanitation, and better access roads to municipal services, markets, and employment opportunities. During the PPTA, PSA or social impact assessment will be carried out to quantify the ethnic minority population and beneficiaries, and to assess the project impacts. Measures will be developed to ensure that ethnic minorities will benefit 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

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

IV. 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 (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?

Increased tariffs to poor and other vulnerable people will be assessed during the PPTA, including subsidies or exemptions. The project will create employment opportunities during construction and operation. The use of core labor standards will be included in the loan assurances. HIV/AIDS clauses will be included in the bidding documents, and awareness and prevention activities will be held during the project implementation and included in the assurances.

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 of international and 3 person-months of national resettlement specialist, and 2 person-months of international and 3 person-months of national social development specialist. During PPTA, social surveys 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.