



## Initial Poverty and Social Analysis

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May 2018

### People's Republic of China: Jilin Yanji Low-Carbon Climate-Resilient Urban Development Project

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Asian Development Bank

## **CURRENCY EQUIVALENTS**

(as of 16 April 2018)

Currency unit	–	yuan (CNY)
CNY1.00	=	\$0.159266
\$1.00	=	CNY6.27880

## **ABBREVIATIONS**

ADB	–	Asian Development Bank
DPRK	–	Democratic People's Republic of Korea
GDP	–	gross domestic product
JPG	–	Jilin Provincial Government
km	–	kilometer
km <sup>2</sup>	–	square kilometer
PRC	–	People's Republic of China
ROK	–	Republic of Korea
YKAP	–	Yanbian Korean Autonomous Prefecture

## **NOTE**

In this report, "\$" refers to United States dollars.

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## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	People's Republic of China	Project Title:	Jilin Yanji Low-Carbon Climate-Resilient Urban 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 contribute to environmentally sustainable, low-carbon, climate resilient urban and economic development of Yanji City (Yanji) in Jilin Province, the PRC. It will support improved access to basic urban services, safety, and environmental sustainability through improved sponge city and climate-resilience planning and infrastructure construction; improved sustainable, low-carbon, and intelligent urban transport; upgraded stormwater, water and wastewater management systems, and capacity development. The project will contribute to poverty reduction by improving urban infrastructure and services and living conditions. The proposed project will support the (i) PRC's National 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, (ii) Thirteenth Five-Year plans of Jilin Province and Yanji City (2016–2020), and (iii) Yanji urban and economic development master plan. The proposed project will be aligned with ADB's (i) Midterm Review of Strategy 2020; (ii) country partnership strategy for the PRC, 2016–2020; and (iii) urban and water operational plans and environment operational directions.<sup>1</sup></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 improvements for access to urban infrastructure and basic services that will benefit all people of Yanji. It will benefit urban and rural residents in surrounding areas.</p>
<p><b>C. Poverty and Social Analysis</b></p> <p><b>1. Key issues and potential beneficiaries.</b> Primary beneficiaries are urban residents in Yanji, including the poor and socially vulnerable. Provision of basic municipal services, such as wastewater management, river rehabilitation, drainage system improvement, and urban transport will directly benefit the poor and socially vulnerable through improved access, quantity, and quality. Yanji is the capital city of Yanbian Korean Autonomous Prefecture which has a total of seven counties, three of which are national level poverty counties and one is a provincial level poverty county.</p> <p><b>2. Impact channels and expected systemic changes.</b> The project is expected to improve the living conditions of beneficiaries through improved access to municipal services including water supply and wastewater management, integrated flood risk management, river rehabilitation, drainage system improvement, and improved roads and public transport; and urban services. The project will assess barriers to access to improved environmental infrastructure and social services. It will target environmental and traffic safety awareness campaigns to benefit communities including the poor.</p> <p><b>3. Focus of (and resources allocated in) the transaction TA or due diligence.</b> A PSA will be carried out during project preparation to analyze the impact of the project on the poor and identify pro-poor design features. Issues to be investigated include (i) access by the poor to public utility services; (ii) affordability of public utility tariff by the poor and low-income families; (iii) community participation in project components such as wastewater and waste management, river rehabilitation, and management; (iv) targeted assistance and institutional support for socially inclusive urban development, including environmental protection, public health, and safety awareness programs; and (v) targeted opportunities for capacity building and training. Capacity building during the project preparation will strengthen the awareness of the executing and implementing agencies for pro-poor interventions and need for continuous monitoring of social issues. Two duly qualified national experts with expertise in social development, poverty, gender, indigenous peoples, and involuntary resettlement will be engaged for a total of 5 person-months as part of the project preparation to carry out work covering social, poverty, gender, indigenous peoples, and land acquisition and resettlement planning.</p>

<sup>1</sup> ADB. 2014. *Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and Pacific*. Manila; ADB. 2013. *Urban Operational Plan, 2012–2020*. Manila; ADB. 2011. *Water Operational Plan, 2011–2020*. Manila; ADB. 2013. *Environment Operational Directions, 2013–2020*. Manila.

<b>II. GENDER AND DEVELOPMENT</b>
<p><b>1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program?</b> Women are generally burdened with household and family responsibilities, and if engaged in jobs, they are employed in the service industry. Therefore, improving basic public services will benefit women, through improved transportation services and increased mobility and safety. The project preparation will explore opportunities to directly increase women's access to jobs including those created by the project, and education, participation in decision making in project design, implementation, and monitoring. The project will also help improve the capacity of female staff in various entities e.g., the executing and implementing agencies.</p> <p><b>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?</b>  <input checked="" type="checkbox"/> Yes    <input type="checkbox"/> No            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. A GAP will be developed, which will incorporate strategies, mechanisms, and actions to address 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.</p> <p><b>3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?</b>  <input type="checkbox"/> Yes    <input checked="" type="checkbox"/> No            All residents will benefit from improved living conditions and access to urban services including women. The project will benefit women through their participation in consultations and during the project design.</p> <p><b>4. Indicate the intended gender mainstreaming category:</b>  <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>
<b>III. PARTICIPATION AND EMPOWERMENT</b>
<p><b>1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.</b> The main stakeholders include the city government and concerned agencies, development and reform commission, finance bureau, planning bureau, land resource bureau, housing and urban-rural development bureau, transport bureau, water affairs bureau, civil affairs bureau, poverty reduction bureau, women's federation, and other relevant bureaus. The stakeholders include all urban residents, particularly project beneficiaries and affected people.</p> <p><b>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 project preparation to identify views and concerns of beneficiaries, especially vulnerable groups to inform project design, and develop measures for effective implementation of the project. Mechanisms of local communities' engagement will also be studied to improve wastewater management, integrated flood risk management, river rehabilitation, drainage system management, and roads and public transport. Accessibility and affordability of wastewater treatment services will be assessed, and awareness raising campaigns will be carried out during project preparation.</b></p> <p><b>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?</b>  <input checked="" type="checkbox"/> Information generation and sharing (M)    <input checked="" type="checkbox"/> Consultation (H)    <input type="checkbox"/> Collaboration    <input type="checkbox"/> Partnership</p> <p><b>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?</b> <input checked="" type="checkbox"/> Yes    <input type="checkbox"/> No            The beneficiaries will be consulted during project preparation through social surveys, stakeholder workshops, focus group discussions, and key informant interviews. Documents prepared during project preparation including the environmental management plan, GAP, resettlement plans, and social development action plan will outline the program for consultation and participation of beneficiaries in the design and implementation of the project. Loan assurances will address implementation and monitoring of these plans. As the poor are the most vulnerable, they should benefit more from project improvements so long as project activities are socially inclusive.</p>
<b>IV. SOCIAL SAFEGUARDS</b>
<p><b>A. Involuntary Resettlement Category</b> <input checked="" type="checkbox"/> A    <input type="checkbox"/> B    <input type="checkbox"/> C    <input type="checkbox"/> FI</p>
<p><b>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement?</b> <input checked="" type="checkbox"/> Yes    <input type="checkbox"/> No            Road rehabilitation and construction, sewer, and other components will require significant land acquisition and involuntary resettlement. It is estimated that over 200 affected people will lose more than 10% of their land or suffer physical displacement, thus involuntary resettlement is categorized as A. Land acquisition and resettlement assessment and resettlement plans will be carried out during project preparation.</p>

**2. What action plan is required to address involuntary resettlement as part of the transaction TA or due diligence process?**

Resettlement plan

**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

At the end of 2015, Yanji had a total registered population of 545,323 including Korean, Han, Man, Hui, and 10 other ethnic minorities. The Korean population is 308,800, which is 56.6% of the total population. Koreans are the dominant cultural and economic group in the Yanbian Korean Autonomous Prefecture. Koreans migrated to the area 200–300 years ago from the Democratic People's Republic of Korea and have thrived there ever since, maintaining their culture and language. Korean is commonly spoken in the workplace, including local government offices. Korean is also taught in schools. The Korean community maintains close economic ties with the Republic of Korea. Officials from the Civil Affairs Bureau consider the Korean community to be economically slightly better off compared to other groups.

3. Will the project require broad community support of affected indigenous communities?  Yes  No  
Indigenous communities will be affected by land acquisition and resettlement.

4. What action plan is required to address risks to indigenous peoples as part of the project preparation or due diligence process?

Indigenous peoples plan  Indigenous peoples planning framework  Social Impact matrix  
 Environmental and social management system arrangement  None

Due diligence will be conducted to confirm the categorization during transaction TA phase.

**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 (H)  Adhering to core labor standards (M)  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: Community disturbance and resistance (M) – related to the road, drainage pipe rehabilitation and river rehabilitation which needs in-depth consultation and participation, and careful assessment and evaluation during the transaction TA implementation.

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

Increase of tariffs to poor and vulnerable people will be assessed during project preparation, 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 project implementation and included in the assurances.

**VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT**

1. Do the terms of reference for the transaction TA (or other due diligence) contain key information needed to be gathered during transaction 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?

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 transaction TA or due diligence?

A total of 8 person-months (1.5 person-months from 2017 fund and 6.5 person-months from 2018 fund of the F-TRTA) of national resettlement and social development specialists are included to conduct social analysis and preparation of GAP, social development action plan, and land acquisition and resettlement plans. The project management office will engage qualified institutes to conduct surveys, land acquisition and resettlement plans, and carry out consultation, participation, quantitative, and qualitative surveys.

ADB = Asian Development Bank, F-TRTA = Transaction Technical Assistance Facility, GAP = gender action plan, PRC = People's Republic of China, PSA = poverty and social analysis, YKAP = Yanbian Korean Autonomous Prefecture.

Source: ADB.