

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	People's Republic of China	Project Title:	Yunnan Pu'er Regional Integrated Road Network Development Project
Lending/Financing Modality:	Project	Department/Division:	East Asia Regional Department / East Asia Transport and Communications

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Targeting classification: general intervention

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

Pu'er, the largest prefecture in southern Yunnan Province, is located in a poverty-stricken mountainous border area of the People's Republic of China (PRC). The Yunnan Pu'er Regional Integrated Road Network Development Project will reduce poverty by improving rural roads and by facilitating Pu'er's access to the benefits of regional integration in the Greater Mekong Subregion and of trade with neighboring countries through its improvements to the regional roads network. Consistent with the PRC's 12th Five-Year Plan for 2011–2015, the project will contribute to inclusive, balanced regional development and a reduction of income disparity. The project is in line with the PRC's rural poverty reduction strategy for 2011–2020, which recognizes regional road network development as an important poverty reduction intervention. The project aligns with the Yunnan provincial government's poverty reduction strategy in the remote mountainous border area and will help connect poor rural villages to the growing regional transport and trade systems. The project is also consistent with Asian Development Bank (ADB) assistance under ADB's 2011–2015 country partnership strategy for the PRC in the areas of (i) inclusive growth and balanced development, and (ii) regional cooperation and integration. It is also consistent with ADB's Sustainable Transport Initiative,¹ which identifies regional cooperation and integration, road safety, and social sustainability as key developmental opportunities.

B. Results from the Poverty and Social Analysis during PPTA or Due Diligence

1. **Key poverty and social issues.** Pu'er is poverty-stricken. Its per capita gross domestic product of CNY14,286 in 2012 was 64% of Yunnan province's (CNY22,195) and only 37% of the overall national figure (CNY38,354). Poverty incidence is also high. The urban poverty rate of 13.6% in 2011 was significantly higher than the provincial rate of about 5.8% and the national rate of 3.4%. The poverty rate in Pu'er's rural areas was 34.8%, much higher than the Yunnan average of 13.5% and the overall incidence in the PCR of 7.9%. All of Pu'er's nine counties are identified as national poverty counties. The main causes of poverty at the village level are the remote locations, underdeveloped transport infrastructure, and harsh geographical and climate conditions. In individual households, poverty is often the result of poor access to credit, lack of income-generating skills, and illness.

2. **Beneficiaries.** The project will potentially benefit about 405,000 people, of whom 36.9% are poor. The rural road improvement component will benefit about 73,000 people in 16,280 households of 287 village groups of 110 administrative villages. About 40% of these people are poor.

3. **Impact channels.** The social and poverty analysis identified several direct project benefits. Improved roads will benefit people through time savings and will ensure safe and comfortable travel. Improved public transport services will greatly benefit the poor by improving access to social services. The project will create income-generating opportunities, including an estimated 6,130 skilled and unskilled jobs.

Indirect benefits will include the promotion of a transition from traditional agriculture production to the cultivation of high-value-added cash crops. The project will also help create local farming jobs for poor villages. For example improved access will open land and may attract investment in cash tree developments. It will also create non-farming jobs and business opportunities by stimulating overall economic development.

4. **Other social and poverty issues.** The project area is characterized by inadequate irrigation facilities, the absence of publically available market information, and a lack of employment and income-generating opportunities. Inadequate health care services compound the difficulties experienced by the ill and disabled.

Design features. Several project design features will enhance the poverty alleviation impact of the project including village road spot improvements,² introduction of a rural road maintenance scheme, the provision of pilot rural transport services³ and the improvement of road safety.⁴ The project design focused on increasing benefits to the rural poor, ethnic minorities, women, and other vulnerable groups by the targeting of employment opportunities and the raising of community awareness

¹ ADB. 2010. *Sustainable Transport Initiative Operational Plan*. Manila.

² Village roads that connect remote village groups to the project rural roads will receive spot improvements under the project to expand the benefits of the rural road improvement component. Local people will carry out most of these improvements through contracts between County Transport Bureaus and the communities and villagers on the village roads. This will be done with minimal training and supervision, using local materials. The project management consultant (PMC) will provide guidance, training materials and training, and oversight.

³ Limited purchases of buses and/or minivans will be financed by the project. The PMC will focus on improving transport planning, including the selection of an appropriate commercial model and the provision of transport services for school children. The assistance will also support the piloting of township-based bus services and village-based pilot initiatives.

⁴ A program of road safety improvements will be implemented that will target: (i) education and community programs, (ii) enforcement, (iii) capacity building, (iv) accident database establishment, and (v) a program of equipment procurement. The Project Management Consultant will provide the necessary guidance and oversight.

on road safety and the threats posed by human and drug trafficking. The project design also focused on minimizing the impacts of land acquisition and resettlement.
C. Poverty Impact Analysis for Policy-Based Lending – NA.
II. PARTICIPATION AND EMPOWERING THE POOR
<p>1. Summarize the participatory approaches and the proposed project activities that strengthen inclusiveness and empowerment of the poor and vulnerable in project implementation.</p> <p>The prefeasibility and feasibility study phases included participation and intensive consultation with stakeholders regarding the project scope, the initial alignment of the two project highways, the design standards, and the alternatives to reduce land acquisition and relocation impacts. Household surveys were conducted during development of the resettlement plan (RP), ethnic minority development plan (EMDP), and the gender action plan (GAP). In addition, focus group discussions (FGDs) and consultation workshops have been held with women and representatives of the poor, the elderly, and ethnic minorities. During the project, the implementation of the RP, the EMDP, and the GAP will ensure that participation is built into project activities. The participation processes are reflected in these plans.</p> <p>2. If civil society has a specific role in the project, summarize the actions taken to ensure their participation.</p> <p>The local unit of All-China Women's Federation participated regularly during the project preparation to document the pertinent issues related to women and trafficking.</p> <p>3. Explain how the project ensures adequate participation of civil society organizations in project implementation.</p> <p>The All-China Women's Federation will be involved in implementation. In addition, all primary and middle schools in the project area will participate in the project's awareness raising on road safety, illicit drug use, and trafficking in humans and prohibited items. The external monitors and social safeguard and gender capacity specialists will be engaged from research institutes or universities.</p> <p>4. What forms of civil society organization participation is envisaged during project implementation? <input checked="" type="checkbox"/> Information gathering and sharing H <input checked="" type="checkbox"/> Consultation H <input type="checkbox"/> Collaboration <input type="checkbox"/> Partnership</p> <p>5. Will a project level participation plan be prepared to strengthen participation of civil society as interest holders for affected persons particularly the poor and vulnerable? <input type="checkbox"/> Yes. <input checked="" type="checkbox"/> No.</p> <p>No separate plan will be prepared. Measures for participation are included in the EMDP, the GAP, and the RPs to ensure appropriate information dissemination, consultation, and public participation through all stages of the project.</p>
III. GENDER AND DEVELOPMENT
Gender mainstreaming category: Effective Gender Mainstreaming (EGM)
<p>A. Key issues. The project is categorized as EGM. Based on FGDs and interviews, most women support the project. The key project-related issue that women face is their limited access to convenient transport and diversified income-generation opportunities. Women travel to transport goods to and from market, accompany children and the elderly to hospital, and seek job opportunities to meet the growing cash demands of their households. Women are frequent users of rural roads and public transport services to meet their varied travel requirements and are likely to spend more time on the roads than men do. All-season accessibility and improved road conditions are essential for women to be able to travel for both social and economic activities. Shorter travel times on the rural roads will increase the mobility and productivity of women. The project will also offer some women the opportunity to increase their incomes by working on the maintenance of rural roads.</p> <p>B. Key actions. Measures have been incorporated in the GAP to address gender issues in both project design and implementation. Traffic safety facilities will be incorporated into the design of project roads. At least 50% of those taking part in public participation meetings at all stages of the project will be women. At least 20% of the unskilled construction jobs generated by the two regional roads component will go to local women. At least 75% of the total 42,000 days of employment generated under the rural road maintenance activities will go to women. The provision of pilot bus services will improve women's access to social services. Project publicity, training, and other activities will be conducted in at times and locations convenient for women.</p> <p><input checked="" type="checkbox"/> Gender action plan <input type="checkbox"/> Other actions or measures <input type="checkbox"/> No action or measure</p>
IV. ADDRESSING SOCIAL SAFEGUARD ISSUES
<p>A. Involuntary Resettlement Safeguard Category: <input checked="" type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Key impacts. A total of 4,265.5 mu (284 hectares) will be permanently acquired. This will include paddy land, non-irrigated farmland, forest land, and house plots and other land. The total house and/or building demolition area will be 83,155 square meters (m²). This will include brick and concrete or brick and wood houses, as well as simple structures made of earth and wood, wood and tile, and other materials. A total of 17,495 persons in 4,598 rural households from 28 villages and two agricultural enterprises will be affected. This includes 3,998 households that will be affected by land acquisition and 600 households that will be affected by both land acquisition and demolition. As the two regional roads are built on existing alignments, the land acquisition will only cause partial loss to affected households. For the rural roads, LAR impacts will not be significant. Since roads will be selected during implementation, and RF has been prepared and RPs, if required, will be prepared when roads are being designed.</p> <p>2. Strategy to address the impacts. Those affected will be compensated at full replacement cost for all acquired and occupied lands and demolished houses and structures. The executing and implementing agencies will take others measures to address impacts, including (i) provision of skills training to the Affected Peoples (APs) for improving productivity in cash crop cultivation and animal husbandry, (ii) promotion of cash crop plantation and transport and other small businesses, and (iii) provision of employment related to the project.</p>

3. Plan or other actions. <input checked="" type="checkbox"/> Resettlement plans <input checked="" type="checkbox"/> Resettlement framework <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> No action		<input type="checkbox"/> Combined resettlement and indigenous peoples plan <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework <input type="checkbox"/> Social impact matrix
B. Indigenous Peoples		Safeguard Category: <input checked="" type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI
<p>1. Key impacts. All nine counties in Pu'er are ethnic minority autonomous counties. Ethnic minorities make up 63.4% of Pu'er's population. The Hani are the biggest ethnic minority group, comprising 18.3% of the population, followed by the Yi (17.5%), the Lahu (12.3%), the Wa (6.3%), the Dai (5.9%), the Yao (0.4%), the Bai (0.5%), the Hui (0.5%), and the Miao (0.5%). A total of 287,000 or 71% of the project beneficiaries will be members of ethnic minorities. A total of 3,042 ethnic minority households will be affected by land acquisition and resettlement. Because this is a road project with a relatively narrow linear right-of-way, no villages will require complete relocation, and ethnic minority households affected by demolition will be resettled within their own villages. This will ensure that social and community relations remain intact.</p> <p>Is broad community support triggered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>2. Strategy to address the impacts. Special steps will be taken to support affected ethnic minority people, including (i) the provision of technical training on cash crop plantation and for non-farming employment in transport and the border trade; (ii) the exercise of due care to avoid acquiring sacred trees or land; (iii) provision of employment opportunities to ethnic minority people, with at least 50% of available unskilled jobs to go to ethnic minorities, women and the poor; (iv) the protection of ethnic minority cultural practices; and (v) ongoing consultation.</p> <p>3. Plan or other actions.</p> <input checked="" type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> Social impact matrix <input type="checkbox"/> No action		
<input type="checkbox"/> Combined resettlement plan and indigenous peoples plan <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework <input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary		
V. ADDRESSING OTHER SOCIAL RISKS		
A. Risks in the Labor Market 1. Relevance of the project for the country's or region's or sector's labor market. National regulations will be obeyed by contractors. <input type="checkbox"/> unemployment <input type="checkbox"/> underemployment <input type="checkbox"/> retrenchment <input checked="" type="checkbox"/> core labor standards 2. Labor market impact. The project will promote local employment directly and presents no risk of creating unemployment or retrenchment. Willing local people will be given preference in providing the unskilled jobs generated by the project. The project activities will provide equal pay for work of equal standards and will use no child labor.		
B. Affordability The project's two highways and rural roads are open access and toll free.		
C. Communicable Diseases and Other Social Risks 1. Indicate the respective risks, if any, and rate the impact as high (H), medium (M), low (L), or not applicable (NA): L <input checked="" type="checkbox"/> Communicable diseases M <input checked="" type="checkbox"/> Human trafficking M <input type="checkbox"/> Others (please specify) _____ 2. Describe the related risks of the project on people in project area. Project assurances will require the PMG to ensure that the contactors disseminate training on the transmission of HIV/AIDS and other communicable diseases and take preventive measures on construction sites for all new employees. The local Centre for Disease Control (CDC) will implement similar programs for local communities. The risk of cross-border trafficking in humans, drugs, and other prohibited items has been addressed in the EMDP.		
VI. MONITORING AND EVALUATION		
1. Targets and indicators. To ensure that the EMDP, the GAP, and the trafficking interventions will be implemented effectively, the monitoring indicators included in these plans have been fully discussed and agreed with the executing and implementing agencies and related agencies. 2. Required human resources. The executing and implementing agencies will appoint staff members as focal points to oversee implementation of the RP, the EMDP, and the GAP and report progress. Experts on social safeguards, gender, and human and drug trafficking will provide support under the ADB-financed consultancy services. Independent agencies are budgeted in each plan for RP and EMDP monitoring and will report outcomes to ADB through semiannual monitoring reports. 3. Information in PAM. The project operation department of ADB will review the periodic monitoring reports and will carry out regular review missions that will include a safeguards specialist. It will review the project completion report submitted by the borrower and will undertake a Project Completion Report mission to verify that the project is compliant with the project covenants. 4. Monitoring tools. The Terms of Reference for the external monitors for the RP and the EMDP are included in the PAM complete with outline monitoring tools. These include baseline and end-line surveys, follow-up tracer surveys, FGDs, and other qualitative and quantitative tools.		