



# Initial Poverty and Social Analysis

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## PRC: Multimodal Passenger Hub and Railway Maintenance Project

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**Asian Development Bank**

## **CURRENCY EQUIVALENTS**

(as of 13 February 2018)

Currency unit – yuan (CNY)

CNY1.00 = \$0.1578

\$1.00 = CNY6.3346

## **ABBREVIATIONS**

ADB – Asian Development Bank  
PRC – People's Republic of China  
TA – technical assistance

## **NOTE**

In this report, "\$" refers to US dollars.

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## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	People's Republic of China (PRC)	Project Title:	Multimodal Passenger Hub and Railway Maintenance Project
Lending/Financing Modality:	Project Loan	Department/ Division:	East Asia Department (EARD) / Transport Division (EATC)

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The proposed project is consistent with the Government's Thirteenth Five-Year Plan (2016–2020) and Asian Development Bank's (ADB) country partnership strategy for the People's Republic of China (PRC) for 2016–2020, which seeks to help the PRC develop more efficient, safe, green and sustainable transport systems. The transport sector contributes to poverty reduction through improved access to markets, employment opportunities, social services and by promoting trade and stimulating economic development. In the PRC, majority of poor live in inland regions, especially in the western part of the county. As a poverty alleviation measure, the PRC has implemented 'Western Development Policy'. According to official data of the Liangshan government in 2016, Liangshan had 11.9% of its population, or over 88,500 people, living below the national poverty line (defined as annual per capita net income of CNY 2,736, or \$415). Proposed project is consistent with PRC's pro-poor economic development policy including reducing regional development imbalances. The project will provide a multimodal transport hub, procure advanced inspection and maintenance equipment ensuring safe and reliable rail transport and to support regional economic development, increase mobility, and promote energy efficiency and sustainability.

#### B. Targeting Classification:

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

Within the larger railway line development project between Chengdu and Kunming, ADB's financing will support the construction of one large railway station, Xichang West Station Multimodal Hub, and the acquisition of railway maintenance equipment. The project will directly contribute to poverty reduction by providing employment during construction and operation of the multimodal hub. Indirect contributions to poverty reduction will come from generating economic and employment opportunities through an environment-friendly and energy efficient transport system. The project will indirectly contribute to poverty reduction by (i) integrating the area with the wider network of trade and commerce; (ii) creating better accessibility for tourism; and (iii) facilitating overall economic development of the region.

#### C. Poverty and Social Analysis

##### 1. Key issues and potential beneficiaries.

The causes of poverty include (i) low profits from local products due to lack of market access and local processing of agricultural products; (ii) lack of local non-farm employment opportunities; (iii) insufficient health care expenses; (iv) vulnerability to fragile ecosystem; and (v) lack of access to credit and other social services. The proposed project will improve safety of higher speed railway operations that provide access to regional markets, thereby increasing profit margins and raising rural incomes.

##### 2. Impact channels and expected systemic changes.

The project has the potential to benefit people in the project area through: (i) employment during project construction and operation; (ii) improved safe access to markets, transport and other services through the larger railway line development; and (iii) integration of the project area with the regional trade and commerce.

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

The TA will in general assess the direct and indirect social benefits of the project.

### 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?

Women will be equal beneficiaries of the project. Increased job opportunities created during construction and operation will provide potential new sources of income for women. Increase in female participation in the labor market through improved mobility increases women's net income and savings, improves overall family welfare, and helps improve women's status. The design of the multimodal hub will further include special facilities for women, like reserved seating areas and child care facilities, thus improving the usability for women.

2. Does the proposed project or program have the potential to contribute 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

Women and other vulnerable groups benefit from railway development and development of integrated transport solutions. Railway development helps local economies grow, which generates demand for additional employment opportunities for men and women and increases worker productivity and wages. The transportation sector in the PRC provides an exceptionally high percentage of employment opportunities to women; the project will bring the opportunity to replicate this in the project area.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?  
 Yes  No

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.

The main stakeholders include (i) local governments and their line agencies; (ii) CRC; (iii) CKRC; (iv) ADB; (v) Liangshan Yi Autonomous Prefecture Government; and (vi) passengers who will benefit from the new multimodal hub in Xichang. The project will as well positively impact the larger local transport network and all railway and local transportation users will benefit. Hence, there is no participation strategy necessary.

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?

As noted above, all users will benefit equally from a new multimodal hub in Xichang, allowing them to access markets and benefit from effects on tourism. The design does not preclude poor from participating in sharing the benefits associated with the new multimodal hub in Xichang or services and job opportunities offered by the project railway line.

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 (M)  Consultation (L)  Collaboration  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

### 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

Output 1, the construction of Xichang West Station will involve involuntary land acquisition. The procurement of railway maintenance equipment will not cause any corresponding impacts.

2. What action plan is required to address involuntary resettlement as part of the TA 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

The minority population in the project area is 10% of the total population (beneficiaries), mainly Yi ethnic minority community.

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

4. What action plan is required to address risks to indigenous peoples as part of the TA 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 (M)     Labor retrenchment  
 Spread of communicable diseases, including HIV/AIDS (M)     Increase in human trafficking     Affordability  
 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?

Training and information campaigns will provide skills development and create awareness for labor standards and prevention of communicable diseases.

#### VI. TA OR DUE DILIGENCE RESOURCE REQUIREMENT

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

All the above will be assessed and confirmed.

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 TA or due diligence?

The TA will engage an international specialist for resettlement and social analysis for 1.5 person-months and a national social development specialist (1 person-month) to undertake poverty and social analysis to prepare a Poverty and Social Analysis Report.