



Initial Poverty and Social Analysis

Project Number: 42117
October 2013

People's Republic of China: Tianjin Integrated Gasification Combined Cycle Project Additional Financing

An initial poverty and social assessment (IPSA) is prepared in the early stage of the project cycle to assess the significance of social issues for a project. In accordance with ADB's public communications policy (PCP, 2005), the IPSA is disclosed upon completion..

Asian Development Bank

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	People's Republic of China	Project Title:	Tianjin Integrated Gasification Combined Cycle Additional Financing Project
Lending/Financing Modality:	Project	Department/Division:	EARD/EAEN

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

Based on the country poverty assessment, the country partnership strategy, and the sector analysis, the following describes how the project would directly or indirectly contribute to poverty reduction and how it is linked to the poverty reduction strategy of the partner country.

The proposed pilot project is to demonstrate capturing carbon dioxide from existing power plant and inject it into (i) an oil well for enhanced oil recovery, and (ii) a saline aquifer for long-term storage. Demonstrating carbon capture, utilization, and storage (CCUS) technology is one of the priorities of the energy sector in the country partnership strategy, 2011–2015 for the People's Republic of China (PRC).¹ It is also aligned with ADB's Energy Policy (2009) which supports mainstreaming the technology lead to a low-carbon economy and mitigating climate change. If the technology is widely deployed in the PRC and the rest of the world based on the successful demonstration of the pilot project, it will significantly contribute to mitigate climate change risks, which has a higher impact to the low income population in Asia and the Pacific.

B. Targeting Classification:

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

The proposed pilot project does not directly address poverty issues as the direct beneficiaries are power generation and oil companies. However, the proposed pilot project may indirectly address poverty issues by contributing climate change mitigation.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

The primary beneficiaries of the proposed project are power generation and oil companies and the secondary beneficiaries are the general population in Tianjin city. There are no potential needs of the poor that can be addressed by the project.

2. Impact channels and expected systemic changes

It is expected that the CCUS technology will be widely deployed in the PRC if the pilot project is successfully demonstrated. Wider application of CCUS technology in the PRC will contribute on reducing the risks associated with climate change, especially to the local population including the poor in coastal region such as Tianjin city.

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

Due diligence will be conducted to identify any potential negative social impact in the project area associated with environment safeguard.

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?

There is no gender issue relevant to the proposed project.

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 Please explain.

There is no potential to design a project component to promote gender equality as the proposed project is to pilot the CCUS technology at existing power plant.

¹ ADB. 2012. *Country Partnership Strategy: People's Republic of China, 2011–2015*. Manila.

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

Yes No Please explain.

The proposed project is not expected to have any adverse impact on women or widen gender inequality as its primary beneficiaries are power generation companies.

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 potential stakeholders are the China Huaneng Group, Huaneng Clean Energy Research Center, Huaneng Tianjin IGCC Co., Ltd., the National Development and Reform Commission, the Ministry of Finance, the Ministry of Science and Technology, other power generating companies, affected communities near the storage sites within the PRC and other ADB developing member countries, which operate coal-fired power plants.

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?

During project preparation, extensive consultations will be undertaken with the stakeholders identified above.

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? Engage relevant civil society organizations as part of the community consultation.

Information generation and sharing Consultation Collaboration Partnership

Relevant civil society organization in the project area will be identified.

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 Please explain.

Depending on the selected sites for enhanced oil recovery and CO2 storage opportunities to involve local communities will be investigated (e.g. employment opportunities, monitoring).

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

As the proposed pilot project will be located inside the premises of the existing power plant, and the enhanced oil recovery and the storage will be conducted in the existing Dagang oil field, the project does not anticipate any involuntary resettlement impacts, but this will be confirmed during the PPTA.

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

The proposed pilot project will be located at the site of the existing power plant in an existing industrial park of Tianjin Municipality, and the storage will be at the existing Dagang oilfield. There are no ethnic minority communities near these sites.

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 R-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?

- (L) Creating decent jobs and employment (L) Adhering to core labor standards Labor retrenchment
 (L) Spread of communicable diseases, including HIV/AIDS 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?

Standard assurances on labor and spread of communicable diseases will be included in the project agreement.

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 R-PPTA 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 .

Social impacts will be addressed by the environment experts to be engaged under part A of the R-PPTA.

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?

No resources are allocated for poverty and gender analysis, as it is not deemed necessary. For participation, this will be covered by environment expert as part of the environmental impact assessment.