



# Initial Poverty and Social Assessment

Project Number: 43025  
September 2009

## PRC: Gansu Tianshui Urban Infrastructure Development Project

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country/Project Title:	Gansu Tianshui Urban Infrastructure Development Project		
Lending/Financing Modality:	Project Loan	Department/ Division:	East Asia Department/Urban and Social Sectors Division

### I. POVERTY ISSUES

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

1. Based on the country poverty assessment, the country partnership strategy and the sector analysis describe 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.

Gansu is one of the poorest provinces in the People's Republic of China (PRC). Tianshui, whose population is about 3.5 million, is the second largest city of the province. According to a social assessment conducted by the World Bank, about 42% of the population in the Mijishan Area, which includes Tianshui, live under the poverty threshold of CNY860 per capita (about \$120).<sup>a</sup> The poverty rate in Tianshui is about 20.2%.<sup>b</sup> Lack of investments in developing municipal services and urban infrastructure set a range of environmental and social development challenges for the city. The Gansu Tianshui Urban Infrastructure Development Project (the Project) will improve urban infrastructure and the quality of life of city residents. Overall benefits of the Project will include upgraded municipal infrastructure to support sustainable economic growth.

#### B. Targeting Classification

1. Select the targeting classification of the project:

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

2. Explain the basis for the targeting classification:

The Project will target the general population of Tianshui City.

#### C. Poverty Analysis

1. If the project is classified as TI-H, or if it is policy-based, what type of poverty impact analysis is needed?

The Project is classified as General Intervention.

2. What resources are allocated in the PPTA/due diligence?

Two person-months of international and 4 person-months of national consultants have been allocated for social and poverty analysis.

3. If GI, is there any opportunity for pro-poor design (e.g., social inclusion subcomponents, cross subsidy, pro-poor governance, and pro-poor growth)?

Poverty analysis will be carried out to develop a project design that will aim to contribute to sustainable and inclusive economic growth. The poverty analysis will (i) assess the poverty status in the project sites and the city, and (ii) quantify how the Project will help reduce poverty and incorporate other social dimensions within the project scope. The analysis will be conducted in accordance with the Asian Development Bank's (ADB's) *Poverty Handbook – A Working Document* (2006) and *Handbook on Social Analysis – A Working Document* (2007). The Project will have a pro-poor and gender-sensitive design, and opportunities for social inclusion in design implementation will be explored in the PPTA.

### II. SOCIAL DEVELOPMENT ISSUES

#### A. Initial Social Analysis

Based on existing information:

1. Who are the potential primary beneficiaries of the project? How do the poor and the socially excluded benefit from the project?

The Project targets the general population of Tianshui City. Pro-poor design will be pursued during project preparation.

## 2. What are the potential needs of beneficiaries in relation to the proposed project?

Potential needs of project beneficiaries are access to improved municipal infrastructure to include heating system and services, roads, and bridges.

## 3. What are the potential constraints in accessing the proposed benefits and services, and how will the project address them?

No constraints in accessing proposed benefits and services are foreseen at this point of project design. Assessment of the heating tariff system will include affordability analysis. Based on the assessment, a tariff subsidization system targeted at the poor will be designed if needed. Attention will be paid to access and mobility, safety, nonmotorized transport, and pedestrian access for the transport components.

**B. Consultation and Participation**

## 1. Indicate the potential initial stakeholders

Major stakeholders include the Government (national, provincial, municipal, and district levels); management of the district heating company; the Tianshui Urban Construction Investment Co., Ltd.; project beneficiaries; utility service customers; and project area residents. Stakeholder analysis, including a household survey, will be conducted during PPTA implementation.

## 2. What type of consultation and participation (C&amp;P) is required during the PPTA or project processing (e.g., workshops, community mobilization, involvement of nongovernment organizations and community-based organizations, etc.)?

Three stakeholder workshops will be conducted during PPTA implementation. Findings from the household survey will be used as inputs. Public consultation will be carried out by the Executing Agency (EA), local government officials, design institutes, and other stakeholders during preparation of the feasibility study, poverty and social assessment, environmental impact assessment, and resettlement plan (RP).

## 3. What level of participation is envisaged for project design?

Information sharing     Consultation     Collaborative decision making     Empowerment

The consultants are expected to ensure a high level of stakeholder participation throughout the project design using methodologies including but not limited to information sharing, consultation, collaborative decision making, and empowerment.

4. Will a C&P plan be prepared?  Yes     No    Please explain.

A detailed C&P plan will be prepared as part of the PPTA and included in the social action plan.

**C. Gender and Development**

## 1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project/program?

Employment, access and mobility, and affordability of infrastructure are all potential gender issues.

## 2. Does the proposed project/program have the potential to promote gender equality and/or women's empowerment by improving women's access to and use of opportunities, services, resources, assets, and participation in decision making?

Yes     No    Please explain.

Gender assessment will be conducted during PPTA fact-finding and further detailed during PPTA implementation. A gender action plan will be prepared if needed.

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

Yes     No    Please explain

The Project will provide benefits to the general population, including men, women, children, elderly, disabled people, etc. Issues regarding gender inequality are not foreseen.

<b>III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS</b>			
<b>Issue</b>	<b>Nature of Social Issue</b>	<b>Significant/Limited/ No Impact/Not Known</b>	<b>Plan or Other Action Required</b>
<b>Involuntary Resettlement</b>	The number of households to be affected by the Project is not clear at this stage of project design. A detailed RP will be prepared in accordance with the PRC <i>Land Administration Law</i> and ADB's <i>Safeguard Policy Statement</i> (2009). The RP will be disclosed to the public and affected people. Internal and external monitoring arrangements will be developed.	Significant	<input checked="" type="checkbox"/> Full Plan <input type="checkbox"/> Short Plan <input type="checkbox"/> Resettlement Framework <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain
<b>Indigenous Peoples</b>	There are very few ethnic minority groups present in the project area: majority of the targeted population in the project area is represented by ethnic Han, and the rest by ethnic groups having similar customs and economic activities. It is expected that the Project will not have a significant impact on indigenous peoples, and this will be further examined in detail during PPTA implementation.	Not known	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input type="checkbox"/> Indigenous Peoples Framework <input type="checkbox"/> No Action <input checked="" type="checkbox"/> Uncertain – to be determined during PPTA
<b>Labor</b> <input checked="" type="checkbox"/> Employment Opportunities <input type="checkbox"/> Labor Retrenchment <input checked="" type="checkbox"/> Core Labor Standards	The Project has the potential to provide local employment opportunities for men and women.	Not known how much	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input type="checkbox"/> No Action <input checked="" type="checkbox"/> Uncertain – to be determined during PPTA
<b>Affordability</b>	Economic and financial analysis will be conducted to assess affordability issues for all subprojects.	Significant	<input checked="" type="checkbox"/> Action <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain
<b>Other Risks and/or Vulnerabilities</b> <input checked="" type="checkbox"/> HIV/AIDS <input type="checkbox"/> Human Trafficking <input type="checkbox"/> Others (conflict, political instability, etc.), please specify	The Project may have a negative impact on the poor due to land acquisition and resettlement associated with certain subprojects. The needs of vulnerable groups will be addressed in the RP. HIV/AIDS clauses and actions will be included in the assurances.	Not known	<input type="checkbox"/> Plan <input checked="" type="checkbox"/> Other Action <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain
<b>IV. PPTA/DUE DILIGENCE RESOURCE REQUIREMENT</b>			
1. Do the TOR for the PPTA (or other due diligence) include poverty, social and gender analysis and the relevant specialist/s? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No    If no, please explain why.			
2. Are resources (consultants, survey budget, and workshop) allocated for conducting poverty, social and/or gender analysis, and C&P during the PPTA/due diligence? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No    If no, please explain why.			

<sup>a</sup> World Bank. 2008. *Gansu Cultural and Natural Heritage Protection and Development Project*. (\$38.4 million). Washington.

<sup>b</sup> Data provided by the Gansu Provincial Government.