SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country: People’s Republic of China  Project Title: Shaanxi Mountain Road Safety Demonstration Project

Lending/Financing Modality: Project loan  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

The project is located in Hanyin, Xunyang, and Shangnan district and/or counties in the two prefecture-level cities of Ankang and Shangluo in the Qinba Mountains Region. The project will reduce poverty by improving rural road access, introducing road safety design, and networking regional roads in Ankang and Shangluo. As envisaged in the Twelfth Five-Year Plan of the People’s Republic of China (PRC), the project will contribute to inclusive and balanced regional development and reducing income disparity. The project is in line with the PRC rural poverty reduction strategy for 2011–2020, which recognizes regional road networks1 and road safety2 as an important poverty reduction intervention. The project aligns with the Shaanxi government poverty reduction strategy of improving road conditions in poverty areas.3 The project is consistent with Asian Development Bank (ADB) assistance to the PRC under the 2011–2015 country partnership strategy in the areas of inclusive growth and balanced development, and under ADB’s Sustainable Transport Initiative,4 which identifies road safety and social sustainability as key opportunities.

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

1. Key poverty and social issues. In 2012, about 30% of the rural population in Shaanxi was poor. Xunyang county and Hanyin district of Ankang and Shangnan county of Shangluo are poverty-stricken areas in Shaanxi province. Shangnan and Xunyang are designated national poverty counties. In 2012, the per capita gross domestic product was CNY15,879 in Xunyang, CNY15,735 in Hanyin, and CNY15,582 in Shangnan, much lower than the provincial average of CNY38,557 and national average of CNY38,447. The rural poverty ratio was 40% in Xunyang, 38.6% in Hanyin, and 34.3% in Shangnan.5 Low profit margins of local products because of remote locations with underdeveloped transport infrastructure and harsh geographical and climate conditions with frequent natural disasters are the main causes of poverty at the village level, while lack of professional skills, illness, and a lack of credit are often the main causes for poverty at the household level.

2. Beneficiaries. The project will potentially benefit a total of about 1.7 million people, of whom 38.4% are poor. In particular, the six village road and one township road improvements will benefit around 33,085 people of 21 villages of eight townships, of whom 16,787 or 50.7% are rural poor.

3. Impact channels.

Direct: The direct impact channels include (i) all-weather access by paved roads; (ii) improved road conditions benefiting people by ensuring safer transport, time and cost savings, and more comfortable travel; (iii) employment opportunities as unskilled laborers during project construction; (iv) improved access to social services, particularly school and health care services; and (v) timely delivery and distribution of relief materials in case of severe natural disasters of flooding and snowstorms. The project will create 2,700 jobs during project implementation (1,500 unskilled jobs and 1,200 skilled jobs) and 100 follow-on jobs, mainly cleaning, landscaping, and road maintenance. Targets of 20%–30% women and 40% poor people during construction and 50% women and poor people during operation will be ensured.

Indirect: The indirect impact channels include (i) creating easy mobility for the poor, particularly in remote villages, to seek nonfarm jobs; (ii) creating nonfarming jobs or business opportunities by stimulating overall local economic development, particularly transport-related business, construction and decoration, and in tourism; and (iii) promoting more cash-crop growth such as horticulture seedlings, fresh vegetables, greenhouse crops, herbal medicines, and other intensive cultivation.


2. The Road Network Development Strategy for Poverty Reduction in Extreme Poverty Area. No. 2.4 further interprets that improving rural road in poverty areas also needs improving the road level and ensure “safety and easy” travel. (PRC Ministry of Transportation. 2013. The Road Network Development Strategy for Poverty Reduction in Extreme Poverty Area. No. 2.4. Beijing.)

3. The Shaanxi provincial government’s “Poverty Reduction Plan of 12th Five-Year Plan” requires line agencies including the transport sector to give priority to poverty areas in project allocation to ensure infrastructure development in poverty areas.


5. National rural poverty line in the PRC is CNY2,300 per capita (2011) while the revised rural poverty line for Shaanxi province is CNY2,785 per capita (2012).
4. **Other social and poverty issues.** The poverty and social analysis identified land acquisition and resettlement and construction-related noise and safety problems as issues requiring appropriate mitigation measures.

5. **Design features.** To ensure that the project benefits the poor and other disadvantaged groups, design features include (i) selection of rural roads, particularly village roads, by giving priority to poverty villages; (ii) improved village roads and road safety in poverty areas; (iii) minimizing impacts on land acquisition and resettlement; (iv) employment opportunities for poor people and women; and (v) community awareness raising on road safety and prevention of communicable diseases.

### C. Poverty Impact Analysis for Policy-Based Lending – NA

#### II. PARTICIPATION AND EMPOWERING THE POOR

1. **Participatory approaches and project activities.**
   
   Stakeholder participation and intensive consultation have been conducted with focus on project scope, initial alignment of the roads, their design standards, and alternatives for reducing land acquisition and resettlement impacts. During the preparation of resettlement plans, an SDAP, and GAP, a total of 1,424 households including 804 affected households from 49 villages were surveyed. In addition, a total of 108 focus group discussions were held with 800 participants, involving local women, poor people, the elderly, men, and community leaders to discuss in an open-ended manner topics related to the project. Extensive consultations and participation were also carried out by the executing and implementing agencies in the project-affected communities in order to ensure all of them are fully aware of compensation policies and rehabilitation measures. Participation processes have been built into the resettlement plan, environmental management plan, SDAP, and GAP to ensure appropriate levels of participation by local communities during the implementation phase. These will be monitored through loan assurances and the design and monitoring framework.

2. **If civil society has a specific role in the project, summarize the actions taken to ensure their participation.**
   
   The local body of the All China Women’s Federation assisted in organizing several consultation and advocacy activities for community participation led by women on project design, including road safety.

3. **Explain how the project ensures adequate participation of civil society organizations in project implementation.**
   
   The local branch of the All China Women’s Federation will be involved in implementation. Primary and middle schools in the project area will participate in the project implementation for awareness raising on road safety and prevention of communicable diseases. The external monitors and social safeguard and gender capacity specialists will be engaged from research institutes or universities.

4. **What forms of civil society organization participation is envisaged during project implementation?**
   - Information gathering and sharing
   - Consultation
   - Collaboration
   - Partnership

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?**
   - Yes
   - No

   No separate plan will be prepared. A number of measures on participation are included in the resettlement plan, SDAP, GAP, and environmental management plan to ensure appropriate information dissemination, consultation, and public participation throughout all stages of the project cycle.

#### III. GENDER AND DEVELOPMENT

Gender mainstreaming category: Effective Gender Mainstreaming

A. **Key issues.** The project is categorized as effective gender mainstreaming. Poverty and social analysis and a gender analysis indicate the project will benefit women and other social groups equally through improved road conditions and road safety. Gender-differentiated travel analysis indicates that women have less time to travel compared to men; they also have lower travel costs as they tend to walk more and they are more dependent on public transport. Their economic and social activities are also limited by relative lack of mobility from lack of access to better transport facilities and services.

B. **Key actions.** Improved road conditions will benefit women through easier, faster, and safer travel; increased mobility; and more productive use of time. The project will also improve their economic conditions by providing improved marketing facilities for their cash crops. Measures to address gender issues in both project design and implementation have been incorporated in the GAP, resettlement plans, and SDAP. Specific measures include (i) traffic safety improvements incorporated into the project design, (ii) public participation meetings at all stages of the project will involve women at a proportion of not less than 50%, and (iii) 20%–30% of unskilled construction jobs will be filled by local women. Project publicity, training, and other activities will be conducted in times and at places convenient to women with respect to their schedule and in a manner that women can easily understand. Women will be equally entitled to compensation for land acquisition and house demolition.

C. **Gender action plan**

### IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

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<tr>
<th>A. Involuntary Resettlement</th>
<th>Safeguard Category:</th>
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<tr>
<td>1. Key impacts. The project will result in both permanent land acquisition and house demolition. The total permanent land acquisition is 3,428.76 mu, and 62,964 m² of houses and building will be demolished. A total of 12,527 people in 3,341 households from 62 villages are affected, including 3,013 households affected by land acquisition and 328 households affected by both land acquisition and demolition. The roads are existing roads.</td>
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2. **Strategy to address the impacts.** All acquired and occupied lands and demolished houses and structures will be compensated at full replacement cost. In addition to compensation, others measures include (i) provision of skill training to affected people; (ii) provision of credit to affected poor people and women in promoting cash crop plantations, transport, and other small businesses; and (iii) provision of project-generated employment.

3. **Plan or other Actions.**
   - Resettlement plan
   - Resettlement framework (for road safety investments)
   - Environmental and social management system arrangement
   - Social impact matrix
   - Combined resettlement and indigenous peoples plan
   - Combined resettlement framework and indigenous peoples planning framework
   - Social impact matrix

**B. Indigenous Peoples**

1. **Key impacts.** No ethnic minority groups will be affected by the project.
   - Is broad community support triggered? ☑ Yes ☐ No

2. **Strategy to address the impacts.** No special supports needed.

3. **Plan or other actions.**
   - Indigenous peoples plan
   - Indigenous peoples planning framework
   - Environmental and social management system arrangement
   - Social impact matrix
   - Combined resettlement plan and indigenous peoples plan
   - Combined resettlement framework and indigenous peoples planning framework
   - 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. ☑ unemployement ☐ underemployment ☑ retrenchment ☑ core labor standards

2. **Labor market impact.** The project will promote local employment directly with no risks of unemployment and retrenchment. It is estimated to directly create about 2,700 jobs during the construction period, out of which 1,500 will be unskilled jobs and 1,200 will be skilled jobs. Local people will be given preferential treatment in project-generated unskilled employment. Women will be paid the same wages as men for work undertaken of similar capacity. The project will not allow any child labor.

**B. Affordability**

All project 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): ☑ Communicable diseases L ☑ Human trafficking ☑ Others (please specify)

2. Describe the related risks of the project on people in project area.

The project will have limited risks compared to new road construction, where potential risks result from migration of construction workers that may increase the risk of HIV/AIDS and other communicable diseases. Prevention awareness and education will be provided to the workers and villagers and is included in SDAP activities.

**VI. MONITORING AND EVALUATION**

1. **Targets and indicators.** To ensure effective implementation the monitoring indicators in the SDAP and GAP were discussed and agreed with the executing and implementing agencies and related agencies.

2. **Required human resources.** The executing and implementing agencies shall appoint staff as gender and resettlement focal points to manage and report the implementation progress of these plans, and an independent monitoring agency or specialists shall be recruited for external monitoring of resettlement plans. The budgets for the Monitoring and Evaluation are included in each plan.

3. **Information in the project administration manual (PAM).** ADB’s operation department will (i) review the periodic monitoring reports for the resettlement plans, GAP, and SDAP, and will carry out regular review missions that will include a safeguards specialist; (ii) review the project completion report submitted by the borrower; and (iii) undertake a project completion review mission to verify that the project is compliant with the project covenants.

4. **Monitoring tools.** Terms of reference for an external monitor (resettlement plans) is part of the PAM and outlines monitoring tools including baseline and endline surveys, follow-up tracer surveys, focus group discussions, and other qualitative and quantitative tools.

CPS = country partnership strategy, GAP = gender action plan, LAR = land acquisition and resettlement, mu = a Chinese unit of measurement (1 mu = 666.67 m²), m² = square meter, SDAP = social development action plan, TA = technical assistance.