

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	People's Republic of China	Project Title:	Xinjiang Akesu Integrated Urban Development and Environment Improvement Project
Lending/Financing Modality:	Project Loan	Department/Division:	East Asia Department/ Urban and Social Sectors Division
I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY			
Targeting classification: Non-income Millennium Development Goals (TI-M7c)			
A. Links to the National Poverty Reduction and Inclusive Growth Strategy, and Country Partnership Strategy			
<p>Akesu City is a medium-sized city in southern XUAR. It was originally established as an oasis town on the historic Silk Road trade route, and is now the capital of Akesu Prefecture. The project will contribute to poverty reduction by improving access for urban and rural residents, including the poor and ethnic minorities, to municipal services by supporting (i) improvement of the urban road network and traffic management, (ii) expansion of public and green spaces, (iii) expansion of water supply and sanitation services, (iv) expansion of district heating service, (v) expansion of solid waste management, and (vi) wetland rehabilitation. The project will contribute to environment-friendly and resource-efficient urban development of Akesu City, thereby supporting the PRC's Thirteenth Five-Year Plan, 2016–2020. By helping foster inclusive growth and promote environmental sustainability, the project aligns with ADB's PRC country partnership strategy for 2011–2015. The project supports environmentally sustainable and socially inclusive economic growth, which is a key priority of ADB's Strategy 2020 as well as the Midterm Review of Strategy 2020.¹ It also conforms to (i) ADB's water Operational Plan by encouraging water and wastewater management, and wetland and biodiversity protection; and (ii) ADB's Urban Operational Plan by promoting connectivity, road safety, waste management, urban sanitation, revitalization of communities with ethnic minority concentration, and wetland ecosystem health.</p>			
B. Results from the Poverty and Social Analysis during Project Preparation or Due Diligence			
<p>1. Key poverty and social issues. XUAR is one of the 12 less-developed provinces and autonomous regions targeted by the national government's strategy to develop the west and accelerate its socioeconomic development and poverty reduction. XUAR has a large ethnic minority population: the Uygur account for 45.73% of the total population, and other groups for 14.77%. In 2012, it ranked 28th out of 31 regions in terms of per capita annual disposable income of urban households (CNY17,921), and 22nd in terms of per capita annual net income of rural households (CNY6,394). In 2013, the poverty incidence in Akesu City was 5.45% for the urban population, and 12.3% for the rural population. The city numbers 58 poverty villages, of which two are XUAR-designated. Ayikule is an Akesu Prefecture-designated poverty township with 21 poverty villages. Akesu City's urban population has grown from 422,470 in 2005 to 509,200 in 2013, reaching an urbanization rate of 61.2%, and the built-up area expanded from 27 km² in 2005 to 46.5 km² in 2013. The urbanization rate is expected to surpass 64% by 2015. Although Akesu is a poor area, it also has big potential for fast growth. However, lack of basic urban infrastructure services, a degraded environment, and lack of jobs for the poor are the key impediments to growth and poverty reduction in the city. In the proposed project areas of Akesu City, access to water, sanitation, and heating is low and variable.</p> <p>2. Beneficiaries. The project will directly benefit more than 263,830 local residents (184,150 urban and 79,680 rural), including 46.1% women, 46.4% ethnic minorities, and 16.8% poor people. It will indirectly benefit 509,200 local residents (277,500 urban and 231,700 rural), including 49.31% women, 53.79% ethnic minorities, and 9.2% poor people.</p> <p>3. Impact channels. The project will directly contribute to poverty reduction in the project areas by (i) enhancing public infrastructure and the living environment for local residents; (ii) establishing a community-based 3R waste-sorting-at-source system and improving solid waste management; (iii) constructing or upgrading roads; (iv) expanding water supply and central heating; (v) reducing environment-related diseases by improving sanitation and drinking water; and (vi) creating direct skilled and unskilled jobs during construction and operation of the project. The project will indirectly help generate economic and employment opportunities for both urban and rural poor through urban expansion and secondary and tertiary industrial developments.</p> <p>4. Other social and poverty issues. By providing better basic services and urban environmental quality, the project will promote urbanization and regional economic cooperation in Akesu City. As a result, the city will attract more investments and enterprises to absorb more rural labor (a big proportion being poor and migrant workers) and will thus generate more employment and income opportunities for the poor.</p> <p>5. Design features. The project design directly responds to issues raised by the PSA, related to basic urban infrastructure. Key design features include (i) setting employment targets for women, ethnic minorities, and the poor in construction and operation; (ii) strengthening public participation and consultation in decision making and public hearings on water supply and sanitation, heating supply, and solid waste management; (iii) targeting beneficiary</p>			

¹ ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank, 2008–2020*. Manila; and ADB. 2014. *Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and Pacific*. Manila.

<p>ethnic minority people through skills and employment enhancement programs funded by the local government; (iv) piloting the concept of “living streets” in selected residential alleyways in low-income, ethnic minority communities of Akesu, whereby suitable community streets will be designed as a social and shared space for people’s social activities; (v) designing a human-centered traffic system that will take into account road safety, nonmotorized traffic, and integration of public transport; and (vi) focusing on providing public education on integrated solid waste, and wetland management and biodiversity protection. The EMDP and SGAP outline actions to ensure mitigation of adverse impacts and to increase the positive impacts of the project.</p>	
<p>C. Poverty Impact Analysis for Policy-Based Lending: Not applicable</p>	
<p align="center">II. PARTICIPATION AND EMPOWERING THE POOR</p>	
<p>1. Participatory approaches and project activities. – During PPTA, more than 1,330 people were consulted and interviewed, including 1,000 urban and rural households; and 11 consultation meetings were held with government agencies, 37 focus group discussions with members of beneficiary communities, and 12 key informant interviews with relevant stakeholders. During preparation of the resettlement plan, eight consultation meetings were organized with stakeholders, about 200 affected households were interviewed, and more than 780 people were consulted in the process. In addition, while preparing the environmental impact assessment, more than 600 people and six agencies were consulted.</p> <p>2. ACWF participated in consultations on women’s employment and basic infrastructure issues. ACWF will support the project for women’s employment by providing female labor information, small loans, and training activities.</p> <p>3. Civil society organizations. Explain how the project ensures adequate participation of civil society organizations in project implementation. – During project implementation, civil society organizations such as ACWF, schools, and communities will participate in public education and pilot “living street” programs, human-centered traffic system and road safety, integrated solid waste management, and wetland management and biodiversity protection.</p> <p>4. The following forms of civil society organization participation are envisaged during project implementation, rated as high (H), medium (M), low (L), or not applicable (NA): <input checked="" type="checkbox"/> Information gathering and sharing (high) <input checked="" type="checkbox"/> Consultation (high) <input checked="" type="checkbox"/> Collaboration (L) <input type="checkbox"/> Partnership ()</p> <p>5. Participation plan. – The SGAP details participation of local ACWF units, communities, schools, and residents in project implementation, public hearings on tariff reform, and public education and pilot programs.</p>	
<p align="center">III. GENDER AND DEVELOPMENT</p>	
<p>Gender mainstreaming category: Effective gender mainstreaming</p>	
<p>A. Key issues. The PSA indicates that women are primarily responsible for household-related traveling and socializing, household water collection and use, wastewater and solid waste disposal and management, heating supply as well as cooking, washing, and taking care of the sick and old family members. The project will have significant benefits for women by reducing the energy, time, and efforts they spend on household-related activities and allowing them to be more actively involved in income generation, training, unburdened traveling and socializing, and family entertainment and/or leisure. Women strongly support the project across all its components, and perceive that it will improve their quality of life and create employment and income opportunities. Women will particularly benefit from preferential policies by AGM and APMO during project construction and operation. Women’s participation in public hearings, public education, and pilot programs will strengthen effective project implementation and sustainable development.</p>	
<p>B. Key actions. <input checked="" type="checkbox"/> Gender action plan <input type="checkbox"/> Other actions/measures <input type="checkbox"/> No action/measure GAP/SGAP includes specific employment and participation targets for women that were agreed with the government. In addition to adequate staffing and training for APMO and POAs, women will be provided with (i) jobs during and after project implementation (at least 45%); and (ii) consultation, awareness raising, and gender-sensitive education programs (50% women) on road safety, solid waste management, wetland and biodiversity protection, and environmental and sanitary issues. The design and monitoring framework and GAP/SGAP include sex-disaggregated data and indicators.</p>	
<p align="center">IV. ADDRESSING SOCIAL SAFEGUARD ISSUES</p>	
<p>A. Involuntary Resettlement</p>	<p>Safeguard Category: <input checked="" type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p>
<p>1. Key impacts. Overall, 1,502.93 <i>mu</i> of land will be affected permanently, including 825.13 <i>mu</i> of state-owned land and 677.8 <i>mu</i> of collectively owned land (1 <i>mu</i> = 666.7 m²). Demolition of residential structures totals 5,655 m². LAR will affect 184 households and 790 persons.</p> <p>2. Strategy to manage the impacts. A resettlement plan and due diligence report was prepared in accordance with ADB’s Safeguard Policy Statement (2009) and relevant laws and regulations of the PRC. It was endorsed by APMO and disclosed to the affected people in Chinese and Uygur languages. All affected assets will be compensated at full replacement cost, and livelihood measures for the 479 persons affected in the labor force will be implemented by APMO and POAs. APMO will coordinate the implementation of the project and report progress to ADB. APMO will engage an external monitoring institute to independently verify adherence to the provisions of the resettlement plan.</p>	
<p><input checked="" type="checkbox"/> Resettlement Plan <input type="checkbox"/> Resettlement Framework <input type="checkbox"/> Environment and Social Management System <input type="checkbox"/> No Action</p>	<p><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</p>

B. Indigenous Peoples	Safeguard Category: <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI										
<p>1. Key impacts. 122,420 minorities (46.4% of the population) live in the direct project area and will benefit from better access to municipal services, and enjoy the improved living and business environment. According to the PSA, the majority are Uygur, who account for 28.0% of the total beneficiary population, followed by Hui (10.3%) and Kazakh (8.1%). Of the Uygur, 724 persons from 172 households will be affected by LAR, and 18 households by residential house demolition. All affected people will be compensated. Income restoration measures will be implemented and monitored according to the resettlement plan to ensure better living conditions after resettlement.</p> <p>Is broad community support triggered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>											
<p>2. Strategy to address the impacts. An EMDP has been prepared to mitigate adverse impacts and enhance project benefits for ethnic minorities.</p>											
<p>3. Plan or other actions.</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Indigenous peoples plan</td> <td><input type="checkbox"/> Combined resettlement plan and indigenous peoples plan</td> </tr> <tr> <td><input type="checkbox"/> Indigenous peoples planning framework</td> <td><input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework</td> </tr> <tr> <td><input type="checkbox"/> Environment and social management system arrangement</td> <td><input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary</td> </tr> <tr> <td><input type="checkbox"/> Social impact matrix</td> <td></td> </tr> <tr> <td><input type="checkbox"/> No Action</td> <td></td> </tr> </table>		<input checked="" type="checkbox"/> Indigenous peoples plan	<input type="checkbox"/> Combined resettlement plan and indigenous peoples plan	<input type="checkbox"/> Indigenous peoples planning framework	<input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework	<input type="checkbox"/> Environment and social management system arrangement	<input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary	<input type="checkbox"/> Social impact matrix		<input type="checkbox"/> No Action	
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V. ADDRESSING OTHER SOCIAL RISKS											
A. Risks in the Labor Market											
<p>1. Relevance of the project for the country's or region's or sector's labor market. <input type="checkbox"/> unemployment <input type="checkbox"/> underemployment <input checked="" type="checkbox"/> retrenchment (M) <input checked="" type="checkbox"/> core labor standards (L)</p>											
<p>2. Labor market impact. The project will provide 12,130 person-years of skilled, semi-skilled, and unskilled jobs during construction and 2,760 skilled, semi-skilled, and unskilled full-time jobs during operation. The closure of small, severely polluting coal-burning boilers will affect 56 employees. A re-employment plan has been prepared (see annex to the resettlement plan) to ensure that all affected workers will be reassigned to similar jobs or retrained for other jobs.</p>											
B. Affordability											
<p>The affordability of the poor has been assessed based on the proposed tariffs and household income data. The average households and households in the lowest income class will not have a problem with affordability since the share of income expended for the services is below the benchmark of 5% of household income per month. Key measures in the project to rectify possible exclusion include (i) representation of vulnerable groups, including women and the poor (about 50% of total participants) in public hearings on tariff increases; and (ii) monitoring of tariffs, including an assessment of their impact on the poor.</p>											
C. Communicable Diseases and Other Social Risks											
<p>1. The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA):</p> <p><input checked="" type="checkbox"/> Communicable diseases (L) <input checked="" type="checkbox"/> Human trafficking (L) <input type="checkbox"/> Others (please specify) (NA)</p> <p>2. Risks to people in project area.</p> <p>Loan assurances and SGAP, EMDP, and EMP require dissemination of information on HIV/AIDS and STI in construction sites for all new employees at the time they mobilize. This will be conducted in collaboration with the local Center of Disease Control. Training on and sensitization to human trafficking, HIV/AIDS/STI, and other communicable diseases will be provided by the contractors and are stipulated in the relevant bidding documents.</p>											
VI. MONITORING AND EVALUATION											
<p>1. Targets and indicators. 45% women, 50% ethnic minorities, and 20% poor for skilled, semi-skilled, and unskilled labor during construction and operation of the project. The design and monitoring framework and SGAP targets and indicators were discussed and confirmed with APMO and relevant organizations. A comprehensive project performance monitoring system, and social and gender monitoring indicators will be developed to systematically generate data for social and gender aspects, in consultation with the POAs and with the assistance from consultants.</p> <p>2. Required human resources. One national social safeguards and gender specialist is budgeted for 8 person-months of input. Terms of reference are included in the PAM. APMO will appoint staff for implementation and internal monitoring of EMDP and SGAP.</p> <p>3. Information in PAM. The PAM outlines poverty, social, and gender issues, and includes the EMDP and SGAP.</p> <p>4. Monitoring tools. During project implementation, internal monitoring results of EMDP and SGAP will be incorporated in the project performance monitoring report.</p>											

3R = reduce, reuse, and recycle; ACWF = All-China Women's Federation; ADB = Asian Development Bank; AMG = Akesu Municipal Government; APMO = Akesu project management office; EMP = ethnic minority plan; EMDP = ethnic minority development plan; GAP = gender action plan; km² = square kilometer; LAR = land acquisition and resettlement; m² = square meter; PAM = project administration manual; POA = project operation agency; PSA = poverty and social analysis; PPTA = project preparatory technical assistance; PRC = People's Republic of China; SGAP = social and gender action plan; STI = sexually transmitted infection; XUAR = Xinjiang Uygur Autonomous Region.

Source: Asian Development Bank.