SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

<table>
<thead>
<tr>
<th>Country:</th>
<th>People's Republic of China</th>
<th>Project Title:</th>
<th>Jiangxi Xinyu Kongmu River Watershed Flood Control and Environmental Improvement Project</th>
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</thead>
<tbody>
<tr>
<td>Lending/Financing Modality:</td>
<td>Project Loan</td>
<td>Department/ Division:</td>
<td>East Asia Department/Environment, Natural Resources, and Agriculture Division</td>
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I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

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

The project has clear linkages with the PRC’s Thirteenth Five-Year Plan as well as ADB’s CPS for the PRC. The plan prioritizes the reduction of poverty and regional disparities, and aims to promote socially inclusive development and environmental protection in the PRC. ADB’s CPS for the PRC focuses on environmental protection, climate change mitigation and adaptation, and inclusive and balanced urban–rural development. The project will (i) provide flood protection for the villages along the Kongmu River in Xinyu City, (ii) enhance environmental and living conditions, and (iii) increase household income by protecting agricultural production and providing jobs for local people, including women and the poor.

B. Results from the Poverty and Social Analysis during Project Preparatory Technical Assistance or Due Diligence

1. Key poverty and social issues. The project is located in Xinyu City, Jiangxi Province’s newest industrial city, which had a total permanent population of 1.17 million at the end of 2015. The city has a poverty rate of 4.96% including 19,865 rural poor. The project is located in Xinyu’s Yushui District, which has a poverty rate of 2.7% with 9,541 rural poor. The specific project areas, which cover 35 villages, 1 subdistrict, and 3 townships in Yushui District, have 16,302 households with 55,762 persons (29,552 men, 26,240 women, and 1,952 rural poor), including (i) the Yantiangang subdistrict, with 1,600 inhabitants (including 102 poor people); (ii) Guanchao township, with 23,151 inhabitants (including 394 poor people); (iii) Xiaocun township, with 9,804 inhabitants (including 1,032 poor people); and (iv) Ouji township, with 21,207 inhabitants (including 424 poor people).

The PPTA social survey of 200 sample households conducted in the project areas in April 2016 revealed that 69% of the households rely on agriculture for their livelihoods, with an average land holding size of 1.2 mu (0.08 ha) and an average annual net income of CNY9,399.33. Of the sample households, 55% have annual incomes between CNY2,968 and CNY11,139. Over 60% of these households’ income is derived from non-farm earnings, and about 15% of the households had an annual per capita income below CNY2,968, the poverty line in Xinyu. Of the 94% of these households that have no access to tap or piped water, 84% obtain water from wells, 10% from lakes, and 7% from the Kongmu River and springs. A high percentage (88%) of households lack an existing connection to sewerage systems, 40% of respondents use public toilets, and only 23% of respondents have private or flush toilets. Key problems identified in the project areas are flooding, poor water quality, low income due to flood damage of agricultural crops, and poor sanitation or solid waste management. Water pollution in the lakes and Kongmu River is caused in part by (i) the practice of dumping garbage along the Kongmu River and lakes, (ii) the four big pig farm operators located adjacent to the lakes, and (iii) poor wastewater management. The local residents have limited awareness of solid waste management, and are unaware of these practices’ long-term negative effects, such as floods, illness, and poor water quality.

2. Beneficiaries. The project beneficiaries comprise 16,302 households with 55,762 persons (of whom 47% are women) currently residing in 35 villages in 1 subdistrict and 3 townships in Yushui District, who will benefit from improved flood and environment management. The project is also expected to benefit the population in the new high-speed railway subdistrict, forecast to reach 57,500 inhabitants by 2020 and 130,000 inhabitants by 2030. Approximately 6,500 jobs (156,500 person-days) will be created during construction, and 50 positions (51,678 person-days) will be created during operation and maintenance benefiting the local people, including at least 30% women and 10% poor persons. About 16,000 people (40% women and 10% poor persons) will benefit from training and awareness-raising on community flood and environmental management.

3. Impact channels. The project benefits will be generated through (i) Output 1: The development of flood management systems to increase flood retention and control capacity of the Kongmu River. This will prevent floods in 15 villages including agricultural areas adjacent to the Kongmu River, benefiting 16,023 people (7,522 households); (ii) Output 2: Construction of water pollution sources management systems and water-related basic amenities (wastewater pipes and pump stations), solid waste management, and the maintenance of amenity space along the lakes and Kongmu River, benefiting 54,162 people (15,716 households); and (iii) Output 3: Capacity development for flood and environmental management, including mobilizing 10 community groups for flood and environmental management, conducting awareness campaigns, and providing training on flood forecasting and warning systems, benefiting 55,762 people (16,302 households) in 35 villages. These outputs and activities will link the project with community networks in the local government units (village, town, or district), mobilize community participation, and disseminate the project’s activities and/or best practices to other watershed areas and concerned agencies.
4. Other social and poverty issues. Although the percentage of households without access to tap water is very high, households in the six villages surveyed by the PPTA do not consider this a major problem. This could be due to limited awareness of the causal link between water quality and health. About 30% of the surveyed households also experience problems with water reliability, as they have an insufficient water supply at times. This affects people’s health and sanitation. The Government of the PRC’s local development programs aim to provide poor rural communities with access to safe drinking water.

5. Design features. Key design features include (i) community mobilization and/or consultation during the project design and implementation, (ii) the employment of local people in civil works and operations, (iii) community-based flood and environmental management involving the mobilization of 10 community groups in pilot communities, (iv) capacity development on flood and environmental management, and (v) guaranteed minimum targets for participation by women and poor persons in consultations, employment, and training activities.

II. PARTICIPATION AND EMPOWERING THE POOR

1. Participatory approaches and project activities. Consultations with various stakeholders were conducted through focused group discussions, stakeholder meetings, socioeconomic surveys, key informant interviews, and public consultations. Overall, 629 people, including 331 women (53%), were consulted during the project preparation. The project emphasizes inclusiveness and a strong participatory approach through (i) continued consultation with various stakeholders (i.e., affected villages, persons or households, local government units, and agencies) during the project’s detailed design and implementation; (ii) the mobilization and/or organization of the project beneficiaries in communities where the flood and environmental management measures will be implemented; and (iii) training project implementers on social safeguards, gender mainstreaming, and core labor standards. The roles and responsibilities of the concerned agencies are defined in the PAM.

2. Civil society organizations. Collaboration with community-based organizations of farmers and women’s groups was undertaken during the project design, and will continue during the detailed design and project implementation. While no NGOs exist in the surveyed villages, social institutions such as universities in the project city will be engaged to mobilize communities during project implementation. The executing agency and/or implementing agency and PMO will engage the community-based groups and civil society through village leaders, government gender focal staff in villages or towns, women’s organizations, contractors, concerned government agencies, and other organizations during project implementation. The PMO will engage an NGO or civil society organization with experience in implementing similar projects to conduct the community flood and environmental management.

3. 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):

<table>
<thead>
<tr>
<th>Form of Participation</th>
<th>Rating</th>
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<tbody>
<tr>
<td>Information gathering and sharing</td>
<td>H</td>
</tr>
<tr>
<td>Consultation</td>
<td>M</td>
</tr>
<tr>
<td>Collaboration</td>
<td>M</td>
</tr>
<tr>
<td>Partnership</td>
<td>NA</td>
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4. Participation plan. Yes ☑ No. A consultation and participation plan has been included in the PAM. Consultation and participation measures are also included in the social action plans.

III. GENDER AND DEVELOPMENT

Gender mainstreaming category: Effective Gender Mainstreaming

A. Key issues. Women account for 47.65% of the population in Xinyu City and 47.00% of the population in Yushui District. As men mostly work in the city, women participate heavily in farming and local economic activities. Women and girls perform traditional roles, such as household chores, and have expressed that much of their time is spent cleaning houses and washing clothes every time they experience floods. Men are considered household heads, although women participate equally in decision-making about family matters. Women are actively involved in community activities in such roles as community workers and cleaners. Key gender issues include (i) limited representation of women in decision-making, (ii) low levels of awareness and skills among women, and (iii) inadequate jobs and income opportunities for women. Women are in favor of the proposed project as it will improve the quality of life of both men and women by preventing floods, improving the environment, and providing job opportunities during project construction and operation.

B. Key actions. The project design includes the following measures to promote gender equality and women’s empowerment: (i) gender-sensitive consultations to enable women to express their views, concerns, and suggestions freely to improve project design; and (ii) the inclusion of women in specific project activities, such as consultation meetings, job opportunities, capacity-building, training or awareness campaigns, community flood and environmental management, and solid waste management. Women will benefit from increased awareness and empowerment, employment during construction and operation, reduced damages to crops and homes during flooding seasons, and improved environmental services.

<table>
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<th>Action Plan</th>
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<tr>
<td>Gender action plan</td>
<td>☑</td>
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<tr>
<td>Other actions or measures</td>
<td>☐</td>
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<tr>
<td>No action or measure</td>
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IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

A. Involuntary Resettlement

Safeguard Category: ☑ A ☐ B ☐ C ☐ FI
1. Key impacts. The project will acquire a total of 2,290.48 mu of collective land in 2 towns, 1 subdistrict, and 5 villages with 13 village groups. Land acquisition and resettlement will affect 1,078 households with 3,693 persons in 1 district (Yushui District). Permanent land acquisition will affect all of these people; it will significantly impact 1,904 persons in 513 households, physically displace 56 households with 287 persons, and affect 119 households with 405 persons with temporary land occupation.

2. Strategy to address the impacts. A resettlement plan has been prepared. Affected persons or households and other stakeholders were consulted during the preparation of this plan, which will be updated after the detailed design. Compensation and resettlement entitlements will be paid to affected persons or households, and income restoration or livelihood rehabilitation will be implemented according to the plan. Monitoring and reporting measures are included in the plan.

3. Plan or other actions. ☒ Resettlement plan

**B. Indigenous Peoples**

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<th>Safeguard Category:</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>FI</th>
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1. Key impacts. The project will not affect any ethnic minority communities, and thus will not trigger requirements on indigenous peoples under ADB’s Safeguard Policy Statement. The one ethnic minority-concentrated village in Xinyu City lies outside the project area.

Is broad community support triggered? ☒ Yes ☐ No

2. Strategy to address the impacts. Not applicable.

3. Plan or other actions. ☒ No action

V. ADDRESSING OTHER SOCIAL RISKS

**A. Risks in the Labor Market**

1. Relevance of the project for the country’s, region’s, or sector’s labor market, indicated as high (H), medium (M), and low or not significant (L).

☐ unemployment ☐ underemployment ☐ retrenchment ☒ core labor standards (L)

2. Labor market impact. The project will not have a labor market impact, but will create some jobs. About 156,500 person-days of employment will be created during construction, and about 51,678 person-days of employment will be created during operation and maintenance. The project will provide employment opportunities for local people, of whom 25%-30% will be women and 10% will be poor persons. The contractors will be required to follow core labor standards during construction.

**B. Affordability**

Most of the current population in the existing towns lack wastewater connections. After project construction, a wastewater tariff review will be conducted, including (i) public consultations on any wastewater tariff revision proposals and (ii) studies of the impact of such a revision on poor households. The government will adopt necessary measures to support poor households in case of any wastewater tariff increases.

**C. Communicable Diseases and Other Social Risks**

1. The impacts of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA):

☒ Communicable diseases (L) ☐ Human trafficking

☐ Others (please specify) ☐

2. Risks to people in the project area.

There may be some risks of communicable diseases due to the labor force, but workers will be mostly local. Contractors will be required to include in their bidding documents the dissemination of information on HIV/AIDS in construction sites for all new employees. The PMO will coordinate with local government health agencies and the contractors to ensure that this is implemented.

VI. MONITORING AND EVALUATION

1. Targets and indicators. Target indicators on social aspects are defined in the GAP, SDAP, and resettlement plan.

2. Required human resources. The PMO will hire one national resettlement specialist to update the resettlement plan, one external resettlement monitoring agency, and one national social and gender specialist during project implementation.

3. Information in the PAM. The PAM outlines the main social safeguards, social development issues, and related action plans. The PAM includes the TORs and budget for consultants.

4. Monitoring tools. The PMO will prepare semiannual social monitoring reports and submit them to ADB in progress reports. Sex-disaggregated data will be collected and included in the monitoring reports. The resettlement monitoring agency will submit external monitoring reports to the PMO and ADB at regular intervals specified in the resettlement plan.

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b In 2015, the poverty line in Xinyu City was CNY2,968 in per capita annual income (i.e., equivalent to the national poverty line of CNY2,300 in per capita annual income, in 2010 prices).

c A mu is a Chinese unit of measurement (1 mu = 666.67 square meters).

ADB = Asian Development Bank, CNY = yuan, CPS = country partnership strategy, GAP = gender action plan, NGO = nongovernment organization, PAM = project administration manual, PPTA = project preparatory technical assistance, PMO = project management office, PRC = People’s Republic of China, SDAP = social development action plan, TOR = terms of reference.

Source: ADB estimates.