

## SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	People's Republic of China	Project Title:	Guangxi Regional Cooperation and Integration Promotion Investment Program—Tranche 2
Lending/Financing Modality:	Multitranches Financing Facility	Department/ Division:	EARD/EAPF

### I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Poverty targeting: targeted intervention—geographic

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

The proposed investment program is consistent with ADB's Country Partnership Strategy (CPS) for the People's Republic of China (PRC) 2016–2020 and with the Greater Mekong Subregion (GMS) Regional Investment Framework (RIF) 2014–2018.<sup>a</sup> Poverty reduction through international cooperation and cross-border trade is one of the priorities in PRC's Outline of Poverty Alleviation and Development Strategy in Rural Areas of China (2011–2020). The proposed tranche 2 under the multitranches financing facility program aims to support the participation of the Guangxi Zhuang Autonomous Region in regional cooperation and integration (RCI), in the GMS program, with a focus on economic corridor development.

Tranche 2 of the Program will be mainly implemented in Dongxing City, Pingxiang City, Jiangzhou District, Qinzhou Bonded Port Free Trade Zone, Qixing District and Youjiang District with the following outputs: (i) development of small and medium-sized enterprises enhanced; (ii) cross-border e-commerce platforms developed; (iii) key infrastructure and services in border economic zones improved; and (iv) physical and people's connectivity for RCI improved. The local government has been planning to reduce poverty through cross-border trade and regional development. The project aims to contribute to economic growth in border areas and beyond in the PRC and Viet Nam, and efficient transport and trade operations. The various project components will facilitate growth and create employment opportunities for local communities and contribute to increased income.

The poverty rate is not high in these county-level cities/districts. The national 'Poverty Alleviation through Relocation' facilitated planned voluntary relocation of more than 3,000 households from poor and remote mountain areas to the industrial parks/zones, where some of the subprojects will be located.

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

1. **Key poverty and social issues:** The main causes of poverty in the subproject areas include: (i) the lack of sufficient cultivable land to distribute among farmers (at present, per capita land is less than 1 *mu*<sup>2</sup> per person); (ii) the scarcity of agricultural labor to work on cultivated land; and (iii) the lack of non-agricultural resources needed for income diversification. In 2016, the poverty rates in the seven subproject areas ranged between 2% in Dongxing City and 8.8% in Pingxiang County.

2. **Beneficiaries.** Although the subprojects in tranche 2 include mainly road network improvement, university buildings, office buildings, and cold storage houses, rural population in the subproject areas will equally benefit if proper measures are established to include them as project beneficiaries. Many affected villagers have realized that agricultural activities have limited income generation owing to the limited cultivated land, non-profitable production and limited employment opportunities. Most of the youth prefer to go to work in industrial and commercial developed areas such as Guangdong and Shenzhen. The proposed subprojects will significantly increase business and job opportunities for the skilled workers, and encourage the youth to stay in their respective areas to benefit from new non-agricultural employment and better life chances emerging near their communities.

The proposed subprojects will benefit the poor people by: (i) creating more business opportunities in cross-border trade through improvement of industrial parks/zones and roads; (ii) providing more job opportunities through the development of industrial zones (parks); (iii) offering trainings on working skills and relevant knowledge; and (iv) increasing the potential of developing new businesses.

3. **Impact channels.** The local people in the subproject areas can benefit most through: (i) appropriate and sustained skills training programs; (ii) increased employment opportunities in industrial parks/zones; (iii) participation in cross-border trade; and (iv) opportunities and capital for starting their own businesses.

4. **Other social and poverty issues.** During public consultations, affected persons (APs) of the subprojects indicated that they expect industrial development and cross-border trade development that would benefit both the poor and non-poor.

5. **Design features.** The subprojects (especially road construction projects) through appropriate design engineering have avoided or at least minimized adverse impacts on peoples and their communities. The subprojects will provide skills training programs for the APs, especially for women and the youth, enabling them to find employment in project sites and elsewhere. Access to ancestral tombs and worship locations have been taken into consideration in finalizing right-of-ways of roads. The voluntary resettlers to urban industrial development zones will be given dwelling and other facilities which sustain their cultural and traditional attributes and identities.

### II. PARTICIPATION AND EMPOWERING THE POOR

1. **Participatory approaches and project activities.** Participatory approaches to development planning, land acquisition and resettlement planning, and income restoration and improvement planning have been followed and will be continued through the project implementation. Public consultations with the APs, formal and informal discussions with relevant governmental agencies such as Poverty Alleviation Offices, Public Security Bureau, Women's Federation, Ethnic and Religious Affairs Bureau, village committees and the implementing agencies (IAs) helped in identifying positive benefits and adverse impacts of subprojects. Grievance redress mechanisms at the subproject level will bring transparency and accountability to development interventions.

2. **Civil Society Organizations.** Farmer cooperatives, retired overseas workers' association, and community level organizations actively participated in project planning. They will also help the project management office (PMO) and IAs to monitor land acquisition and resettlement program implementation.

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): Indicate in each box the level of participation by marking high (H), medium (M), low (L), or not applicable (N) based on definitions in ADB's Guide to Participation.

Information gathering and sharing (H)  Consultation (H)  Collaboration (L)  Partnership (M)

4. Participation plan.

Yes. A Stakeholder Communication Strategy was developed to ensure that vulnerable groups, such as the poor and women, who might risk further marginalization, are provided opportunities for communication, employment opportunities and feedback during subproject design and implementation. The executing agency and implementing agencies will develop, establish, and maintain a dedicated website or new media tools like "we-chat" public platform for this tranche.  No. Explain why

### III. GENDER AND DEVELOPMENT

Gender mainstreaming category: Some gender elements.

#### A. Key issues.

Focus group discussions, consultations, and AP interviews indicate that women are supportive of the project components. Poverty, social and gender analysis indicates that the project will benefit women and other social groups equally through improved cross-border trade, provided trainings and created job opportunities. Gender differentiated employment indicates that women (particularly the middle-aged women) have less chance to be employed compared than men; they also have lower skills and limited chance of being employed. Their economic and social activities are also limited by relative lack of knowledge and appropriate skills.

#### B. Key actions.

Gender action plan  Other actions or measures  No action or measure

The social development and gender action plan is intended to help maximize project benefit through: (i) providing unskilled employment to at least 30% local women during infrastructure construction and operations, respectively; (ii) engaging at least 40% of women participation in all public consultation and participation activities; (iii) technical training of local communities, including at least 20% women on cross-border e-commerce platforms; and (iv) skills training of poor households resettled from the project area with at least 30% of the poor women. The executing agency (EA) will engage a social development and gender specialist for 24 person-months to build the capacity of IA staff to implement the actions in the social development and gender action plan.

### IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

#### A. Involuntary Resettlement

Safeguard Category:  A  B  C  FI

1. **Key impacts.** The land acquisition and resettlement (LAR) impacts of all seven subprojects of tranche 2 are limited and are categorized as B. The key LAR impacts are the permanent acquisition of cultivated land of households and temporary disturbances to the livelihoods of project-affected households during the construction phase of subprojects. Four subprojects will not acquire land from individuals and households, as they will be constructed on state-owned land acquired before the planning of tranche 2, or on new land recently reclaimed from the sea. The other three subprojects will acquire 114.8 hectares of rural collective land or state-owned farmland and will demolish rural residential and nonresidential houses of 26,890.3 square meters. About 4,946 persons in 1,680 households will be affected by LAR. The losses of income and sources of livelihoods of individuals and households are offset by their access to nonagricultural income sources and cross-border trade. Three resettlement plans were formulated to address the LAR issues of the three projects and four resettlement plans and resettlement due diligence reports (RDDR) were prepared on the four subprojects. The affected persons have agreed with the PIEs on the structure and organization of a grievance redress mechanism that will be established during project implementation. Public information booklets on the project's LAR impacts and remedies will be distributed to affected persons prior to project implementation. RDDR of the subprojects have been formulated in accordance with the resettlement framework of the program that meets the requirements of the PRC's regulatory framework and the Safeguard Policy Statement (2009) of ADB. Draft resettlement plans and RDDR have been uploaded onto the websites of the executing agency and ADB. The PMO will conduct internal monitoring of the implementation of involuntary resettlement safeguards. An external safeguard monitoring agency will conduct an independent safeguards review of the subprojects.

2. Strategy to address the impacts. Three resettlement plans and four resettlement due diligence reports have been prepared outlining the social impacts of the subprojects and specific mitigatory measures with sufficient budget, institutional support, and detailed monitoring and reporting system.

3. Plan or other Actions.

Resettlement plan/DDRs

Resettlement framework

Environmental and social management system arrangement

No action

Combined resettlement and indigenous peoples plan

Combined resettlement framework and indigenous peoples planning framework

Social impact matrix

<b>B. Indigenous Peoples</b>	<b>Safeguard Category:</b> <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI										
<p>1. Key impacts. Han is the dominant and largest ethnic group (98%) while Zhuang is the second largest ethnic group in the PRC. Han and Zhuang are the dominant ethnic communities at subproject areas. There are a small percentage of other ethnic groups in the project areas. One such group is Jing ethnic group. Most of them arrived in the project areas as married-in or moved-in persons. They are mostly Vietnamese migrant workers whose family and property ties are with Viet Nam. Now they are well integrated to the dominant ethnic communities. No ethnic group holds ancestral or sacred land in the subproject areas, and they do not have any special attachment to the areas where they live. Han, Zhuang and other ethnic peoples coexist without clashing with each other or distinguishing themselves from each other on ethnic identity or land or livelihood issues. The subprojects will not have ethnic-sensitive adverse impacts on the local peoples. No adverse project impacts of any kind on local religions or cultures have been identified. The subprojects will benefit the local population regardless of their ethnic identities and the poor and vulnerable communities will get priority in distributing such benefits.</p> <p>Is broad community support triggered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>2. Plan or other actions.</p> <table border="0"> <tr> <td><input type="checkbox"/> Indigenous peoples plan</td> <td><input type="checkbox"/> Combined resettlement plan and indigenous peoples plan</td> </tr> <tr> <td><input checked="" 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"/> Environmental 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 type="checkbox"/> Indigenous peoples plan	<input type="checkbox"/> Combined resettlement plan and indigenous peoples plan	<input checked="" type="checkbox"/> Indigenous peoples planning framework	<input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework	<input type="checkbox"/> Environmental 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	
<input type="checkbox"/> Indigenous peoples plan	<input type="checkbox"/> Combined resettlement plan and indigenous peoples plan										
<input checked="" type="checkbox"/> Indigenous peoples planning framework	<input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework										
<input type="checkbox"/> Environmental 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											
<b>V. ADDRESSING OTHER SOCIAL RISKS</b>											
<b>A. Risks in the Labor Market</b>											
<p>1. Relevance of the project for the country's or region's or sector's labor market, indicated as high (H), medium (M), and low or not significant (L).  <input checked="" type="checkbox"/> unemployment (L) <input type="checkbox"/> underemployment (L) <input checked="" type="checkbox"/> retrenchment (L) <input type="checkbox"/> core labor standards (M)</p> <p>2. Labor market impacts. Subprojects during their construction and implementation phases will generate significant employment opportunities for the local people. Such opportunities are high in industrial zones and parks. During the construction and implementation phases, 60% of unskilled workforce will be recruited from local people of which 30% will be women. Women will receive same salary/wages for the performance of similar activities. The subproject will not recruit child labor at worksites.</p>											
<b>B. Affordability</b>											
Not applicable.											
<b>C. Communicable Diseases and Other Social Risks</b>											
<p>1. The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA):  <input type="checkbox"/> Communicable diseases <input type="checkbox"/> Human trafficking. Social surveys conducted in the seven subproject areas of tranche 2 have revealed that local authorities have well established mechanisms to control and contain communicable diseases. The reported cases of communicable diseases are few, and they do not show an upward trend. Human trafficking is not reported in the subproject areas.  <input type="checkbox"/> Others (please specify) _____</p> <p>2. Risks to people in project area.  Not applicable.</p>											
<b>VI. MONITORING AND EVALUATION</b>											
<p>1. <b>Targets and indicators.</b> Social development and gender action plan (SDGAP) and RPs targets include cross-border trade, skill training, and job opportunities on priority basis for men and women, agreed among EA and IAs.</p> <p>2. <b>Required human resources.</b> Social development and gender specialist (24 person-months) will oversee the implementation of the SDGAP and resettlement plans of subprojects. An independent monitoring agency will conduct external monitoring and report to EA and ADB. The budget for the monitoring and evaluation is included in each RP and SDGAP.</p> <p>3. <b>Information in the project administration manual.</b>  ADB's operations department will (i) review periodic social and social safeguard monitoring reports on the implementation of resettlement plans and SDGAP, (ii) conduct regular review missions that will include a social safeguards specialist; (iii) 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 tranche 2's social and social safeguard covenants.</p> <p>4. <b>Monitoring tools.</b> Terms of reference for an external monitor of RPs is part of the PAM which outlines monitoring tools including baseline and project completion surveys, follow-up surveys, focus group discussions and other qualitative and quantitative tools.</p>											

<sup>a</sup> ADB. 2014. *Greater Mekong Subregion Regional Investment Framework Implementation Plan (2014–2018)*. Manila.

<sup>b</sup> Chinese unit of measurement (1 mu = 666.67 m<sup>2</sup>).

Source: Asian Development Bank.