

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	People's Republic of China	Project Title:	Xiangtan Low-Carbon Transformation Sector Development Program
Lending/Financing Modality:	Sector Development Program (combined project loan and policy-based loan)	Department/ Division:	East Asia Regional Department/ Sustainable Infrastructure Division

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Poverty targeting: general intervention

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

To realize the carbon peaking commitment of the People's Republic of China (PRC) as a part of the PRC's nationally determined contribution, Xiangtan was selected by the Government of the PRC as a low-carbon city pilot under the PRC's Low-Carbon Cities Initiative. The proposed program aims to help the Xiangtan Municipal Government construct innovative and progressive paths for low-carbon transformation. The program is aligned with Strategy 2030 of the Asian Development Bank (ADB) and the following operational priorities: (i) tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability; (ii) making cities more livable; and (iii) strengthening governance and institutional capacity. The program also supports ADB's country partnership strategy for the PRC, 2016–2020, which highlights strategic support to the sustainable economy in the PRC through translating innovative ideas into programs, while addressing complex issues like pollution control, climate actions, and the development of inclusive and green cities.^a

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

1. **Key poverty and social issues.** A social, poverty, and gender assessment was undertaken per Handbook on Poverty and Social Analysis (2012) and Gender and Development (2003) to (i) assess the transport and economic development needs of the program-affected people; (ii) make the program more pro-poor, socially inclusive, and sustainable; and (iii) formulate measures to deal with any issues related to participation, gender, vulnerable groups, safety, accessibility, and other social risks. As of the end of 2018, 16,171 urban residents of Xiangtan (1.7% of Xiangtan's total population) received the urban minimum living subsistence allowance while 4,456 rural residents (0.5% of Xiangtan's total population) received the rural minimum living subsistence allowance. The rural destitute population of Xiangtan municipality is 7,693 and the rural poverty incidence is 0.36%. Most of the rural destitute population lives in the surrounding counties rather than in the urban districts of Xiangtan.

2. **Beneficiaries.** After completion, the program will directly or indirectly benefit about 1.08 million local residents of 120 communities in 17 subdistricts of two administrative districts in Xiangtan city. The program will directly create about 2,430 job opportunities during the construction period and 720 during the operation period. Indirectly, the program will promote business and real estate development along the upgraded roads and thus employment within pertinent industries. The policy-based loan (PBL) will benefit 2.87 million people and create additional job opportunities in Xiangtan municipality.

3. **Impact channels.** The direct impacts of the program will be (i) improved quality of bus services and customer satisfaction through the upgrading of truck roads, bus stops, and battery electric buses; (ii) safer travel and more inclusive access for pedestrians and cyclists through the upgrading of cycling lanes, pedestrian walkways, and two multimodal stations; (iii) less economic loss and more protection from potential flooding through applying ecosystem-based adaptation measures; (iv) more patients with access to a better hospital environment through the construction of the Xiangtan First Traditional Chinese Medicine Hospital as a certified green building; (v) the creation of more low-carbon, resilient, and livable urban area for local residents in 20 selected aging urban communities; (vi) the creation of job opportunities during the construction and operation periods and the indirect promotion of local economy development; (vii) capacity building of the executing and implementing agency in various aspects including program management, procurement, financial management, and technical skills relevant to operation of sectoral platforms using information and communication technologies.

4. **Other social and poverty issues.** None.

5. **Design features.** The program design responds to issues raised by the poverty and social analysis. Key design features include (i) ensuring the program's technical design is socially inclusive; (ii) promoting broad consultation and participation during the program's design, implementation, and monitoring stages; (iii) conducting an awareness-raising campaign about traffic safety, green travel, urban climate resilience, and energy use; and (iv) setting employment and participation targets for women. The actions in the social and gender action plan (SGAP) will mitigate adverse impacts and increase positive impacts of the program. The implementing agency will implement the plan in collaboration with other stakeholders.

II. PARTICIPATION AND EMPOWERING THE POOR

1. **Participatory approaches and project activities.** The executing agency and the program team carried out intensive consultations with local government agencies during feasibility study preparation. In August 2019, 406 residents were interviewed during a poverty and social analysis survey, 51.7% of whom (210 people) were women. The program team conducted a total of 21 focus group discussions, including with one student group, two persons with disability (PWD) groups, four urban poor groups, six women's groups, and eight mixed urban residents' groups. In addition, the program

team organized two consultation meetings with pertinent government agencies. In February 2020, 562 residents responded to an online questionnaire survey on the community subprojects, and 20 community managers answered another questionnaire. During program implementation, the participatory approaches will include (i) consulting with the poor, PWDs, and women during the detailed program design stage prior to implementation; (ii) promoting broad and active engagement during the awareness-raising campaign on traffic safety, green travel, urban climate resilience, energy use, and a low-carbon lifestyle; and (iii) ensuring broad involvement during monitoring and evaluation, e.g. establishing a grievance address mechanism.

2. **Civil society organizations.** The program team consulted local women's and disabled federations during program preparation to outline the issues related to women and PWDs. They will also participate in program implementation and support various awareness-raising campaigns. Other civil society organizations related to traffic safety, green travel, urban climate resilience, energy use, and a low-carbon lifestyle will be consulted during program implementation to improve the design of campaigns, as necessary.

3. The following forms of civil society organization participation are envisaged during program implementation, rated as high (H), medium (M), low (L), or not applicable (NA):

☒ Information gathering and sharing (M) ☒ Consultation (M) ☐ Collaboration ☐ Partnership

4. Participation plan.

☒ Yes. ☐ No. The XMG with the support from the program team prepared a detailed stakeholder communication strategy and plan.

III. GENDER AND DEVELOPMENT

Gender mainstreaming category: some gender elements

A. Key issues. Of the interviewed 406 households, women represented 49.7% of all family members. Women are more concerned with road safety about their children and sanitation quality as they feel more responsible for the safety and well-being of their family members. The program team conducted the survey and its results show that 70.5% of women travel two to four times per day. The main travel purposes of women include working, escorting children to schools, and shopping for daily necessities. The main travel means of women are walking (34.4%), bus (21.8%), electric bicycle (17.3%), and self-owned car (14.9%). The proportion of women who travel mainly by walking and bus is higher than that of men. Of 232 households that own cars, in 190 (81.9%) of these households the cars are mainly driven by men. In the focus group discussions, women were concerned about road safety, especially about their children. Their main complaints were the following: (i) drivers often do not let them cross the road first, even seeing them escorting the children and walking in the crosswalk; (ii) the short duration of green lights for walking; (iii) the disorderly parking of cars, electric bicycles, and motorcars; and (iv) the inconvenience of using prams or wheelchairs when looking after children or the elderly. The program will benefit about 0.53 million women in Xiangtan city. Most interviewed women during the survey and the focus group discussions thought the program would bring them positive impacts, although some referred to the negative impacts during the construction period.

B. Key actions.

☒ Gender action plan ☐ Other actions or measures ☐ No action or measure

The program incorporates socially inclusive and gender-sensitive design features to enhance women's inclusion and participation. Other measures specified will ensure (i) that at least 20% of the program-generated unskilled jobs are allocated for women; (ii) that women's participation rate is at least 40% in the public consultation meetings and in the awareness-raising activities about road safety, green travel, urban climate resilience, and energy use; and (iii) gender-sensitive institutional strengthening and capacity building. The a social and gender action plan targets are supported by loan assurances and a loan implementation social and gender consultant for implementation and monitoring. The program performance management system and the social and gender action plan include sex-disaggregated indicators.

IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

A. Involuntary Resettlement

Safeguard Category: ☐ A ☐ B ☒ C ☐ FI

1. **Key impacts.** For the project loan, 80.03 mu^b of land are required for construction of Xiangtan First Traditional Chinese Medicine Hospital and 8.03 mu for the Liwei Substation. Prior land acquisition was conducted, which was not in anticipation of ADB financing. Due diligence confirmed that there is no outstanding or legacy issue on the land allocated for the project. Other components will not induce any physical or economic displacement. For the PBL, the safeguards assessment confirmed that the policy actions will not result in involuntary resettlement impacts. The XMG prepared a social safeguards due diligence report, including a safeguards assessment matrix, which was disclosed at the ADB website.

2. **Strategy to address the impacts.** Not applicable.

3. Plan or other Actions.

☐ Resettlement plan ☐ Combined resettlement and indigenous peoples plan
☐ Resettlement framework ☐ Combined resettlement framework and indigenous peoples planning framework
☐ Environmental and social management system arrangement ☐ Social impact matrix
☒ No action

B. Indigenous Peoples 1. Key impacts. The population of ethnic minorities in Xiangtan municipality accounts for 0.49% of the total municipal population. The program does not have differential impacts on any specific ethnic minority communities that would trigger Indigenous Peoples requirements under the ADB Safeguards Policy Statement (2009). As indicated in the safeguards assessment matrix, the policy actions under the PBL will not result in impacts on indigenous peoples' communities. Is broad community support triggered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 2. Strategy to address the impacts. Not applicable. 3. Plan or other actions. <div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> Social impact matrix <input checked="" type="checkbox"/> No action </div> <div style="width: 48%;"> <input type="checkbox"/> Combined resettlement plan and indigenous peoples plan <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework <input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary </div> </div>	Safeguard Category: <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI
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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, indicated as high (H), medium (M), and low or not significant (L). <input type="checkbox"/> unemployment <input type="checkbox"/> underemployment <input type="checkbox"/> retrenchment <input checked="" type="checkbox"/> core labor standards (M) 2. Labor market impact. During the construction stage, about 2,430 job opportunities (1,230 skilled and 1,200 unskilled) will be created for local people. During the operation period, 720 job opportunities (570 skilled and 150 unskilled) will be created, including 20% target for women. Women and the poor will be given priority to get the jobs during the construction in the program implementation. Clauses on compliance with national labor laws and regulations, avoidance of discrimination in employment, and equal pay for equal work for women will be included in the bidding documents. As part of the environmental management plan, health and occupational safety risks will be mitigated.
B. Affordability The in-city bus fare for one-way travel is CNY2. There is a preferential price policy for passengers with bus cards (30% discount), poor people and students (50% discount), and elderly and PWDs (free travel). The social analysis survey interviewees reported monthly bus costs of 1.17%–2.35% of their average monthly incomes, which is affordable. About 70% of interviewees said they expect prices to remain unchanged while 21.9% are willing to pay a higher price. If the bus fares are to be adjusted, the XMG and the bus company in Xiangtan will hold a public hearing for comments from residents and will ensure the participation of women and the poor. It is recommended that the XMG continue its current preferential policies on concessionary bus fares for the poor and elderly. About 40% of respondents do not want to pay at all and another 40% are willing to share less than 10% of the cost. If the local residents have to pay partial costs, more consultations or hearings need to be carried out. The preferential price policy needs to be enhanced to support poor people.
C. Communicable Diseases and Other Social Risks 1. The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA): <input checked="" type="checkbox"/> Communicable diseases (L) <input type="checkbox"/> Human trafficking <input type="checkbox"/> Others (please specify) _____ 2. Risks to people in project area. Program assurances will require the program management office (PMO) and the implementing agency to ensure that the contractors disseminate information on HIV/AIDS and other communicable diseases in construction sites for all new employees. The local center for disease control will disseminate similar information to local communities within the program area.

VI. MONITORING AND EVALUATION
1. Targets and indicators. The XMG discussed with stakeholders and confirmed the SGAP targets and indicators. The XMG will develop a comprehensive program performance monitoring system and social and gender monitoring indicators to systematically generate data for the program's social and gender aspects. 2. Required human resources. During program implementation, the PMO will assign staff, or contract consultants, to collect baseline and progress data at the requisite time intervals, including annual reporting. The program will provide one national social development and gender specialist to help the PMO implement the SGAP. The PMO and a loan implementation social and gender consultant will be responsible for analyzing and consolidating reported data through PMO's management information system, and for reporting outcomes to ADB through quarterly and semiannual progress reports. 3. Information in the project administration manual. Information in the project administration manual and the SGAP includes poverty, social, and gender issues. 4. Monitoring tools. During program implementation, internal monitoring results of the SGAP will be incorporated in the project performance monitoring system report. Data will be from project management system, surveys, and desk research.

^a ADB. 2016. [Country Partnership Strategy: Transforming Partnership—People's Republic of China and Asian Development Bank, 2016–2020](#). Manila.

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

Source: Asian Development Bank.