

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	People's Republic of China	Project Title:	Hunan Xiangxi Rural Environmental Improvement and Green Development Project
Lending/Financing Modality:	Project Loan	Department/Division:	East Asia Department/Environment, Natural Resources, and Agriculture 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

The project will improve rural waste and sanitation management facilities and services, develop local-featured ecological agricultural and forestry products, and improve value chains and integrate agriculture and forestry with ecotourism to add value to local products of the Xiangxi Tujia and Miao Autonomous Prefecture (Xiangxi) in Hunan Province, People's Republic of China (PRC). The project is aligned with (i) the Thirteenth Five-Year Plan of the PRC, 2016–2020;^a (ii) the Thirteenth Five-Year Poverty Alleviation Plan of the PRC, 2016–2020;^b (iii) the National Strategic Plan for Rural Vitalization, 2018–2022 of the PRC;^c (iv) the Asian Development Bank's country partnership strategy for the PRC, 2016–2020;^d and (v) ADB's Strategy 2030.^e These plans and strategies emphasize the improvement of the environment, economy, and living conditions in an integrated manner.

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

1. **Key poverty and social issues.** Xiangxi has one city and seven counties. Although poverty alleviation programs for Xiangxi significantly decreased the extreme poverty incidence rate from 25.30% in 2015 to 0.65% in 2019 in Xiangxi, its socioeconomic development is still lagging behind. In 2019, Xiangxi was ranked the lowest among 14 municipalities and prefectures in Hunan Province in terms of per capita gross domestic product and/or annual income. The per capital gross domestic product was only 43% of the provincial average and 35% of the national average. The annual income of rural residents was only 65% of the provincial average and 63% of the national average. Of the total population, about one-fourth are still registered as poor or low-income people, and they still receive poverty alleviation support from relevant governments to prevent them from returning to extreme poverty. Major causes of poverty or low-income situations include (i) poor environmental and public services, (ii) low agricultural and forestry product value chain development, (iii) lack of skills and capacity for integration of agriculture and forestry with ecotourism, and (iv) lack of jobs and income-generating opportunities.

2. **Beneficiaries.** In the project area, a total of 422,022 residents are identified as project direct beneficiaries, including 203,414 women (48.2%) and 108,702 poor or low-income people (25.8%). Benefits include (i) a better rural living environment because of improved rural wastewater and solid waste management, and renovated household toilets; (ii) development of local-featured ecological agricultural and forestry products; and (iii) value chain development and marketing for local-featured ecological agricultural and forestry products.

3. **Impact channels.** Output 1 will improve rural waste and sanitation management facilities and services through (i) construction and operation of wastewater and solid waste management systems; (ii) renovation of rural households' unsanitary toilets to sanitary ones; and (iii) adoption of innovative technologies, capacity building, and community participation. Output 2 will develop local-featured ecological agricultural and forestry products through (i) construction and operation of agricultural and forestry product development bases with necessary research and production facilities, (ii) provision of equipment and materials, (iii) research on technologies for local-featured ecological agricultural and forestry products, and (iv) capacity building for technicians and farmers. Output 3 will add value to local-featured ecological agricultural and forestry products through (i) improvement of value chains by constructing and operating facilities for storage, cold storage, processing, packaging, exhibition, e-commerce, customer service (with an agricultural product traceability system), and/or logistics; (ii) integration of local agriculture and forestry with ecotourism by protecting and/or improving ecotourism resources, constructing and operating facilities for integration of agriculture and forestry with ecotourism, and publicizing brands of agricultural and forestry products; and (iii) capacity building for farmers and staff of the executing and implementing agencies.

4. **Other social and poverty issues.** With environmental improvement and the development of agricultural and forestry product value chains, Xiangxi can also attract other investments in ecotourism businesses that could further benefit residents.

5. **Design features.** Key design features include (i) community participation in project design and implementation; (ii) provision of targeted training and jobs for residents; (iii) community participation and capacity building in rural waste and sanitation management, local-featured ecological agricultural and forestry product development, and value chain development and integration with ecotourism for value addition to local products; and (iv) gender and social development measures to ensure that residents, including women and the poor and low-income people, equitably benefit from the project. The project's safeguard plans will ensure that adverse impacts to residents are avoided or mitigated and positive social benefits are maximized.

II. PARTICIPATION AND EMPOWERING THE POOR	
<p>1. Participatory approaches and project activities. The project's executing agency and implementing agencies, supported by design institutes and consultants, carried out extensive consultations with local stakeholders during project preparation. More than 25 meetings were held by the environment assessment team, involving more than 500 residents. As part of the social survey, more than 600 participants were consulted through 25 meetings, 529 household interviews, and 44 focus group discussions. For preparation of a plan, 56 consultation meetings and 320 interviews with affected households were conducted. Participants' feedback has been incorporated in the project design and relevant social and safeguard plans. Participatory approaches during project implementation include engagement of communities and/or their representatives in (i) the preliminary designs of subprojects and implementation of the subprojects, (ii) training and employment opportunities for residents, (iii) development of local-featured ecological agricultural and forestry products, and (iv) value addition to local products through value chains and by ecotourism. Consultations with and information disclosure to affected people will be undertaken during the updating and implementation of the safeguard plans. All consultations will ensure that residents, including women and the poor and low-income people, will actively participate in relevant project activities.</p> <p>2. Civil society organizations. Farmers' cooperatives and committees and the All China Women's Federation participated in the consultations during project preparation. They support the project, as it will benefit residents, including women and the poor and low-income people. Farmers' cooperatives and committees and the All China Women's Federation will further participate in the preliminary designs and implementation of the subprojects during project implementation. The implementation agencies will engage farmers' cooperatives and committees and the All China Women's Federation to mobilize farmers and women beneficiaries in implementing relevant project activities. A social organization (e.g., a university) will be engaged for external resettlement and social development monitoring.</p> <p>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): <input checked="" type="checkbox"/> Information gathering and sharing (H) <input checked="" type="checkbox"/> Consultation (M) <input checked="" type="checkbox"/> Collaboration (L) <input type="checkbox"/> Partnership (NA)</p> <p>4. Participation plan. <input checked="" type="checkbox"/> Yes. Participation measures or plans are included in the project design, including social and safeguard plans.</p>	
III. GENDER AND DEVELOPMENT	
Gender mainstreaming category: effective gender mainstreaming	
<p>A. Key issues. Women are key stakeholders and their participation will be a crucial element to the sustainability of the project. The project is intended to be particularly beneficial to women, who comprise 48.2% of the total beneficiaries. Social surveys found that women are burdened with housework and care work, or are engaged in unskilled jobs without decent income because of low education levels and lack of income-generating opportunities. About 8.5% of the women in surveyed households never attended schools, and 79.9% only have an education level of junior high school or below. More than 50% of the women surveyed indicated interests in training and job opportunities. Women's participation in family and social decision-making also needs to be improved. According to the survey, family issues, such as the purchase of home appliances, are decided jointly between husband and wife in 80.5% of surveyed households, by husbands in 15.3% of the households, and by wives in 4.2% of the households. In the fields of social affairs and public administration, the survey found that more men participate in these fields than women. Women have expressed their strong support for the project and expect to benefit from better systems for wastewater and solid waste management, more income-generating opportunities, and a skills training program. The project will benefit women by (i) mobilizing women to participate in environmental sanitation protection and facility maintenance and management, (ii) mobilizing women to participate in and get benefits from the development of local-featured ecological agricultural and forestry products and value addition to local products through value chains and by ecotourism, and (iii) creating more income-generating opportunities and providing skills training program during construction and operation under the project, with priority given to women.</p>	
<p>B. Key actions. <input checked="" type="checkbox"/> Gender action plan <input type="checkbox"/> Other actions or measures <input type="checkbox"/> No action or measure</p> <p>The gender action plan includes specific measures and targets for women, including (i) skills training and capacity building on advanced technologies for local-featured ecological agricultural and forestry products; (ii) provision to women of at least 35% of new job opportunities during construction, operation, and maintenance created by the project; (iii) consultations on preliminary designs of the subprojects and tariff proposals, with at least 40% female participants; (iv) participation in rural garbage management teams, with at least 30% women; (v) promotion of women's entrepreneurship and management capacity in agricultural and ecotourism industries; and (vi) inclusion of women's specific requirements in the designs of e-commerce platforms. Key gender targets have also been included in the design and monitoring framework.</p>	
IV. ADDRESSING SOCIAL SAFEGUARD ISSUES	
A. Involuntary Resettlement	Safeguard Category: <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI
<p>1. Key impacts. The project will involve total land use of 11,634.10 <i>mu</i>, including state-owned land occupation of 535.10 <i>mu</i>; permanent land acquisition of 98.59 <i>mu</i>; land use rights transfer of 9,860.00 <i>mu</i>; and land use for rural public infrastructure of 1,140.50 <i>mu</i>.^f In addition, the project will temporarily use 9.00 <i>mu</i> of land during construction. The project will not involve any physical house relocation. A total of 61 households with 261 persons will be affected</p>	

<p>permanently by land acquisition under the project, of which 34 households with 151 persons will be significantly affected.</p> <p>2. Strategy to address the impacts. A resettlement plan has been prepared, which includes (i) compensation and livelihood restoration measures for affected persons; (ii) consultation, participation, and information disclosure; (iii) a grievance redress mechanism; (iv) a budget, implementation arrangements, and capacity building measures; and (v) monitoring and reporting requirements. Frameworks for land use rights transfer and land use for rural public infrastructure have been developed and attached to the resettlement plan.</p> <p>3. Plan or other actions. <input checked="" type="checkbox"/> Resettlement plan</p>
<p>B. Indigenous Peoples Safeguard Category: <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Key impacts. There are 368,307 ethnic minorities in the project area, mainly the Miao and Tujia people, comprising a large majority of the project beneficiaries. While the ethnic minorities have socioeconomic conditions similar to that of the Han population, the Miao and Tujia people have their own languages and cultural practices. Is broad community support triggered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>2. Strategy to address the impacts. An ethnic minority development plan has been prepared,⁹ which includes the (i) benefits and targets for ethnic minorities; (ii) consultation, participation, and information disclosure; (iii) a grievance redress mechanism; (iv) implementation and capacity building; and (v) monitoring and reporting requirements.</p> <p>3. Plan or other actions. <input checked="" type="checkbox"/> Indigenous peoples plan</p>
<p>V. ADDRESSING OTHER SOCIAL RISKS</p>
<p>A. Risks in the Labor Market</p> <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 type="checkbox"/> unemployment <input checked="" type="checkbox"/> underemployment (L) <input type="checkbox"/> retrenchment <input checked="" type="checkbox"/> core labor standards (M)</p> <p>2. Labor market impact. It is estimated that the project will create 1,317 skilled local jobs (784 during construction and 533 during operation) and 5,612 unskilled local jobs (2,014 during construction and 3,598 during operation). The project will encourage contractors to follow the core labor standards.</p>
<p>B. Affordability</p> <p>The tariff for rural wastewater and solid waste is expected to account for less than 1% of the income of beneficiary households. Key measures to ensure affordability of beneficiaries, particularly the poor and low-income people, include (i) an assessment of the proposed tariff impact on and necessary subsidies for poor households before making decisions on any tariff increase; and (ii) a public hearing process on tariff increase proposals, including the participation of poor and low-income households in the public hearings.</p>
<p>C. Communicable Diseases and Other Social Risks</p> <p>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 (M) <input type="checkbox"/> Human trafficking <input type="checkbox"/> Others (please specify) _____</p> <p>2. Risks to people in project area. There are some risks of communicable diseases from construction workers during civil works. Relevant clauses will be included in contractors' bidding documents requiring them to adopt preventive measures, including training and awareness raising of contractors' personnel.</p>
<p>VI. MONITORING AND EVALUATION</p>
<p>1. Targets and indicators. The design and monitoring framework and relevant social and safeguard plans include targets and indicators. A comprehensive project performance monitoring system will include all relevant social targets and indicators.</p> <p>2. Required human resources. The executing agency and implementing agencies will appoint focal social staff. The consultancy services will include inputs of relevant social development and gender specialists. An external monitoring agency will be engaged for external monitoring and evaluation. The terms of references are attached to the project administration manual (PAM)^h</p> <p>3. Information in the project administration manual. The PAM outlines implementation and monitoring requirements on relevant social issues.</p> <p>4. Monitoring tools. Detailed monitoring methodologies are described in the PAM and relevant social plans. Monitoring reports will be submitted to ADB as described in the PAM.</p>

^a Government of the PRC. 2015. *Outline of the Thirteenth Five-Year Plan on National Economic and Social Development, 2016–2020*. Beijing.

^b Government of the PRC, State Council. 2015. *Thirteenth Five-Year Poverty Alleviation Plan, 2016–2020*. Beijing.

^c Government of the PRC. 2018. *National Strategic Plan for Rural Vitalization, 2018–2022*. Beijing.

^d ADB. 2016. *Country Partnership Strategy: People's Republic of China, 2016–2020—Transforming Partnership: People's Republic of China and Asian Development Bank*. Manila.

^e ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and Pacific*. Manila.

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

^g Ethnic Minority Development Plan (accessible from the list of linked documents in Appendix 2 of the report and recommendation of the President).

^h Project Administration Manual (accessible from the list of linked documents in Appendix 2 of the report and recommendation of the President).