Initial Poverty and Social Assessment

Project Number: 43023
September 2009

PRC: Guangxi Beibu Gulf Cities Development Project
## INITIAL POVERTY AND SOCIAL ANALYSIS

**Country/Project Title:** PRC: Guangxi Beibu Gulf Cities Development Project  
**Lending/Financing Modality:** Project Preparatory Technical Assistance  
**Department/Division:** EARD/EASS

### I. POVERTY ISSUES

#### A. Linkages to the National Poverty Reduction Strategy and Country Partnership Strategy

1. Based on the country poverty assessment, the country partnership strategy and the sector analysis describe how the project would directly or indirectly contribute to poverty reduction and how it is linked to the poverty reduction strategy of the partner country.

   Guangxi Zhuang Autonomous Region (GZAR) is one of 12 less developed provinces and autonomous regions located in the western region of the People's Republic of China (PRC). The Region shares a borderline of 1,020 kilometers (km) with Vietnam and has a shoreline that is 1,595 km long. GZAR has been emerging as an important national multimodal transport gateway to link southwest PRC with neighboring countries in the Greater Mekong Subregion (GMS) and increase PRC's trade with the Association of Southeast Asian Nations (ASEAN). During the Country Programming Mission in December 2008, the Government of the People's Republic of China (the PRC Government) requested the Asian Development Bank (ADB) to provide lending support and project preparatory technical assistance (TA) to help prepare the Guangxi Beibu Gulf Cities Development Project (the Project).

   The Project focuses on support for industrial area development in the cities of Beihai, Qinzhou, and Fangchenggang and, in addition, for tourism support in Beihai. These project urban centers are less developed small to medium-sized coastal cities with incidence of poverty much higher than the national average. Beihai has relied heavily on fishing and tourism for its income while Qinzhou has relied on agriculture and trade. Fangchenggang has benefited from a deep water harbor since the 1960s and from that time has been the focus for international sea trade for the southwest of PRC.

   Ambitious harbor development plans and the industrialization of the adjacent port areas will provide these hitherto remote cities with critical means to develop economically and achieve a very significant raising of income levels and living standards, thus contributing to poverty reduction both within GZAR and adjacent provinces. The Country Partnership Strategy for PRC (CPS, 2008–2010) specified that ADB will directly support sound and sustainable urban development as part of the strategic thrust to promote inclusive growth and balanced development. The CPS further specified that ADB should align the investment in the PRC southwestern border region with the GMS programs to achieve maximum impact of regional cooperation.

#### B. Targeting Classification

1. Select the targeting classification of the project:

   - [ ] General Intervention  
   - [ ] Individual or Household (TI-H);  
   - [ ] Geographic (TI-G);  
   - [x] Non-Income MDGs (TI-M1, M2, etc.)

2. Explain the basis for the targeting classification:

   The proposed Project will provide improved urban infrastructure, reduce poverty in an indirect manner and help to provide the necessary environment for social development in the industrial areas of the three cities.

#### C. Poverty Analysis

1. If the project is classified as TI-H, or if it is policy-based, what type of poverty impact analysis is needed?

2. What resources are allocated in the PPTA/due diligence?

3. If GI, is there any opportunity for pro-poor design (e.g., social inclusion subcomponents, cross subsidy, pro-poor governance, and pro-poor growth)?

   Yes, pro-poor design features will be explored during the PPTA. These include pedestrian and NMT access in the new areas and roads, lighting and other road safety features, investigation of need for and feasibility of subsidy for tariffs, employment generation during construction and for maintenance of infrastructure, possibilities for inclusion of communities in project monitoring, community-based environmental awareness activities, etc.
## II. SOCIAL DEVELOPMENT ISSUES

### A. Initial Social Analysis

Based on existing information:

1. Who are the potential primary beneficiaries of the project? How do the poor and the socially excluded benefit from the project?

The Project will provide road access within and to new residential, dormitory, and areas for employees in large industrial parks. All residents, including the poor, women and ethnic minorities are expected to benefit by improved living conditions, ease of travel to social service institutions such as schools, hospitals, and cultural centers and to gain access to employment opportunities.

The project city of Fangchenggang has significant (48%) ethnic minorities. Preliminary investigation has found that they are socially and economically integrated with the majority Han Chinese and this will be verified during the poverty and social analysis. No particular adverse impacts are anticipated on ethnic minority communities but this will be investigated during the social assessment and, if found necessary, an ethnic minority development plan will be prepared.

2. What are the potential needs of beneficiaries in relation to the proposed project?

The Project will strengthen social and environmental safeguard arrangements, as well as lend support to help the urban residents to achieve sustained growth in an improved environment. Good condition of local roads, provision of utility services, convenient access to schools, hospitals and markets and to have employment opportunity.

3. What are the potential constraints in accessing the proposed benefits and services, and how will the project address them?

To be researched and addressed during PPTA.

### B. Consultation and Participation

1. Indicate the potential initial stakeholders.

Major stakeholders of the Project include (i) agricultural workers and families indigenous to the project areas, (ii) other local communities living adjacent to the development areas, (iii) the municipal governments of the project cities, (iv) port development authorities, (v) police and social services, (vi) industries and local commerce, (vii) GZAR government, and (viii) the PRC government.

During initial consultations, all stakeholders involved positively supported the proposed infrastructure and housing development, which will provide improvements to their living conditions and good access to major employment centers. Validation of this will be conducted during the poverty and social assessment.

2. What type of consultation and participation (C&P) is required during the PPTA or project processing (e.g., workshops, community mobilization, involvement of nongovernment organizations and community-based organizations, etc.)?

The PPTA will include social surveys, focus group discussions, key informant interview, and stakeholder workshops which will include governmental departments, nongovernmental organizations, commerce and trade organizations, and the public.

3. What level of participation is envisaged for project design?

- Information sharing
- Consultation
- Partial collaboration
- Full collaboration
- Empowerment

4. Will a C&P plan be prepared?  Yes  No  Please explain.

It will be required as part of the consultant’s proposal.
C. Gender and Development

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project/program?

Key gender issues that are likely to be relevant include: (i) ensuring access to employment opportunities generated by the project development; and (ii) use of core labor standards during implementation and promotion of HIV/AIDS prevention and control. The poverty and social assessment will specifically address any gender issues and work with communities to identify possible risks (such as road safety, human trafficking, etc.) and effective mitigation measures.

2. Does the proposed project/program have the potential to promote gender equality and/or women’s empowerment by improving women’s access to and use of opportunities, services, resources, assets, and participation in decision making? ☑ Yes ☐ No Please explain.

Improvements in living standards and employment opportunities for all urban residents, including both men and women. Employment priority will be given to the vulnerable groups including women, poor, and ethnic minorities.

3. Could the proposed project have an adverse impact on women and/or girls or to widen gender inequality?

☐ Yes ☑ No Please explain.

Improved infrastructure will provide equal access to benefits of the Project.

III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS

<table>
<thead>
<tr>
<th>Issue</th>
<th>Nature of Social Issue</th>
<th>Significant/Limited/ No Impact/Not Known</th>
<th>Plan or Other Action Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Involuntary Resettlement</td>
<td>Households will suffer from house demolition and it is expected about 100 hectares of land will be acquired.</td>
<td>Significant</td>
<td>☑ Full Plan</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>☐ Short Plan</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>☐ Resettlement Framework</td>
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<tr>
<td></td>
<td></td>
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<td>☐ No Action</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>☐ Uncertain</td>
</tr>
<tr>
<td>Indigenous Peoples</td>
<td>The project city of Fangchenggang has significant (48%) ethnic minorities. Preliminary investigation has found that they are socially and economically integrated with the majority Han Chinese and this will be verified during the poverty and social analysis. No particular adverse impacts are anticipated on ethnic minority communities but this will be investigated during the social assessment and, if found necessary, an ethnic minority development plan will be prepared.</td>
<td>Limited. The PPTA will investigate ethnic minority issues and will include ethnic minority actions in the social action plan or if deemed necessary, prepare an ethnic minority development plan.</td>
<td>☐ Plan</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>☐ Other Action</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>☐ Indigenous Peoples Framework</td>
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<td></td>
<td></td>
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<td>☐ No Action</td>
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<td></td>
<td></td>
<td></td>
<td>☑ Uncertain</td>
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<tr>
<td>Labor</td>
<td>☑ Employment opportunities</td>
<td>Significant</td>
<td>☐ Plan</td>
</tr>
<tr>
<td></td>
<td>☐ Labor retrenchment</td>
<td></td>
<td>☐ Other Action</td>
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<tr>
<td></td>
<td>☑ Core labor standards</td>
<td></td>
<td>☐ No Action</td>
</tr>
<tr>
<td></td>
<td>Short-term labor opportunities during construction of project components and the Project will facilitate long-term employment opportunities for both men and women in industrial parks. Core labor standards will be included in the assurances.</td>
<td></td>
<td>☐ Uncertain</td>
</tr>
</tbody>
</table>
### Affordability

Wastewater treatment plant at Mauling will be mainly for industrial effluents and population connected will receive low-tariff benefit. There will be no tariffs and tolls for road use. ADB will have a policy dialogue with the Government concerning tariff setting for wastewater management services. Affordability analysis will be included as part of the PPTA.

<table>
<thead>
<tr>
<th>Limited</th>
<th>Action</th>
<th>No Action</th>
<th>Uncertain</th>
</tr>
</thead>
</table>

### Other Risks and/or Vulnerabilities

- HIV/AIDS
- Human Trafficking
- Others (conflict, political instability, etc.), please specify

As with all other projects, HIV/AIDS awareness and prevention activities will be provided for workers during project implementation. The PSA will investigate if human trafficking is a risk and, if identified, will provide adequate mitigation measures.

<table>
<thead>
<tr>
<th>Limited: HIV/AIDS</th>
<th>Plan</th>
<th>Other Action</th>
<th>No Action</th>
<th>Uncertain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not known: trafficking</td>
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### IV. PPTA/DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the TOR for the PPTA (or other due diligence) include poverty, social and gender analysis and the relevant specialist/s?  ☒ Yes  ☐ No  If no, please explain.

2. Are resources (consultants, survey budget, and workshop) allocated for conducting poverty, social and/or gender analysis, and C&P during the PPTA/due diligence?  ☒ Yes  ☐ No  If no, please explain.