

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country: People's Republic of China Project Title: Xinjiang Altay Urban Infrastructure and Environment Improvement Project

Lending/Financing
Modality:

Project

Department/
Division:

East Asia Department/
Urban and Social Sectors Division

I. POVERTY ANALYSIS AND STRATEGY

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

Located in the northwest of the People's Republic of China (PRC), Xinjiang Uygur Autonomous Region (XUAR) is one of the poorest regions in the country with an urban poverty rate of 8% and a rural rate of 10% in 2007. Altay Prefecture, in the north of XUAR, has a poverty incidence rate of 14.5%. Investment in infrastructure will help reduce poverty in the region by promoting equitable and long-term economic growth. The West China Development Strategy addresses the geographic imbalance of growth by encouraging development, in part through increasing the rate of infrastructure construction and undertaking environmental rectification and protection. The XUAR Government's development strategy focuses on the region's potential role in the Central Asia Regional Economic Cooperation Program by improving border port facilities, strengthening economic cooperation and trade, improving infrastructure development, and protecting the natural environment. There are strong synergies between the West China Development Strategy, the Eleventh Five-Year Plan of the XUAR Government, and the Xinjiang Altay Urban Infrastructure and Environment Improvement Project.

The project supports the Poverty Partnership Agreement of the Asian Development Bank (ADB) with the PRC by redressing geographically disadvantaged and environmentally degraded areas and regional disparities. It is consistent with the country partnership strategy,^a which states that ADB infrastructure interventions will be predominantly in poor inland areas and designed to spread the benefits of such investments to the poor. The project will also indirectly support ADB's Clean Energy and Environment Program.

B. Poverty Analysis

Targeting Classification: General intervention

1. Key issues. Sharp declines in the incidence of poverty in the eastern and central provinces have resulted in poverty becoming concentrated in the PRC's Western Region. XUAR is among the poorest of the autonomous regions or provinces. In 2008, it was 30th out of 31 regions in terms of per capita annual disposable income of urban households, and 25th in terms of per capita annual disposable income of rural households. The annual per capita disposable income of urban households—CNY11,432 or \$1,681—was 28% lower than the national average of CNY15,781 or \$2,321. In 2007, about 8% of XUAR's urban population and 10% of its rural population were living below the official poverty line, compared with the national average poverty incidence of 4% (urban) and 4.7% (rural). In Altay Prefecture, the poverty incidence rate is 14.5. Two of the five project counties are national poverty counties.

Although Altay is a poor area, it has great growth potential. Key sectors are mining, trade, and tourism. Lack of basic infrastructure and services are two of the impediments to growth and poverty reduction in the region. In the five project counties, access to water, sanitation, and heating is low and variable. The percentage of households with piped water in the county seats ranges from 64% to 75%. The percentage of households with wastewater connections ranges from 38% to 61%. The percentage of households with access to central heating ranges from 55% to 64%. The project will increase the coverage of piped water supply and wastewater disposal to 100% or close to 100% in the towns where these subcomponents are implemented.

Much of this expansion will give access for the first time to households that now depend on pressure wells for water and have no means of disposal of wastewater other than tipping it out in their yard. The latter are disproportionately the more economically vulnerable households. For these families, better water supply and wastewater disposal systems will greatly improve the quality of life. The heating subcomponents will not increase the town coverage to the same extent, but for households that do gain access to centralized town heating, significant savings from expenditure on fuel will accrue. Improvements in solid waste disposal and of road systems benefit all households, including the poor. The project's improvements to the urban infrastructure will promote sustained economic growth, generate employment, ensure public health, increase living standards, and significantly enhance air and water quality and the general environment.

2. Design features. Key design features include targets for employment for women and ethnic minorities, in construction and operations, a gender action plan (GAP); and a social action plan (SAP) with road safety, and community-based environmental and health awareness programs.

II. SOCIAL ANALYSIS AND STRATEGY

A. Findings of Social Analysis

Key issues. XUAR is an ethnic minority autonomous region. Many ethnic groups, including a number of nomadic groups, have intermingled over the centuries and have populated it. There are more than 20 different ethnic groups, the most numerous being the Uygurs. Together, ethnic minority people make up 61% of the total XUAR population. In most of the project counties, ethnic minority people make up around 70% of the populations. There are many different groups present in the project counties, but in contrast to the region as a whole, Kazakhs make up over 80% of the ethnic minority populations, followed by much smaller percentages of Hui, Uygurs, and Mongols. In the county seats, where the improvements to the infrastructure will be made, the percentages of ethnic minority people in the town population are

generally smaller than in the county as a whole, but Kazakhs still predominate. Ethnic minority people living in the towns have retained some traditional customs and beliefs. However, an urban ethnic minority lifestyle has emerged and gender roles, in particular, are changing but language differences persist.

Focus group discussions revealed that urban ethnic minority people regard poor urban infrastructure and lack of employment opportunities as the main problems. In the county seats, ethnic minority households are intermingled with the rest of the population, so they will share the same immediate project benefits. Specific targets have been established for the employment of ethnic minority people in the jobs generated by different subcomponents. The ethnic minority development plan (EMDP) also includes measures to ensure that the labor standards of those employed on project construction, both ethnic minority and others, are observed. Various other measures have been incorporated into the EMDP to ensure the effective inclusion of ethnic minority people, especially women, in project activities. Measures have also been included to ensure that their customs and beliefs are respected during project implementation.

Lack of employment opportunities is the main concern of much of the population in the county seats, regardless of ethnicity. While official unemployment figures are relatively low, the number of people in the workforce whose sole source of income is casual work disguises the full impact of the lack of employment opportunities. In the household survey, between 15% and 34% of men and women were dependent on casual labor for their income, which is insecure and scarce in winter. The government is the main source of employment in the county seats. There are few private enterprises employing staff, and a relatively small percentage of the population has income-earning activities of their own.

The current infrastructure facilities and basic service provision in the project county seats cannot adequately support industrial activity, expansion of the local economy, or job creation. The infrastructure funded by the project loan will help improve basic living conditions, raise the efficiency of land port operations on the county borders, increase the attractiveness of the area as a tourist destination, and at the same time help protect the fragile local ecology. Significant improvements to public health will be achieved through better water quality and supply, cleaner air, and more efficient sanitation.

B. Consultation and Participation

1. Consultation during project preparation regarding social issues involved: (i) a household survey, (ii) focus group discussions, and (iii) meetings with key informants in each project county seat. Wherever appropriate, translation into Kazakh was provided. In addition, meetings were held with representatives from agencies such as the Ethnic and Religious Affairs Bureau, All-China Women's Federation, Department of Civil Affairs, and Poverty Alleviation Office. Data gathering concentrated on understanding the current situation, hopes and expectations regarding improvements, and community participation in project implementation.

2. What level of consultation and participation is envisaged during the project implementation and monitoring?

☒ Information sharing ☒ Consultation ☐ Collaborative decision making ☐ Empowerment

3. Was a consultation and participation plan prepared? ☒ Yes ☐ No

Public disclosure of all project documents will be undertaken through the implementing agency and on the ADB website, including the project information document, design and monitoring framework, summary initial environmental examination, resettlement plans, EMDP, and the report and recommendation of the President. Social and environmental monitoring reports will be disclosed during project implementation. Consultations with communities will take place at different points in the planning and implementation of subprojects. Special attention will be paid to the participation of women, ethnic minorities, and any other vulnerable groups, such as the poor. The project SAP activities of environmental and road safety awareness will employ participatory strategies to ensure full community involvement. Measures to ensure the inclusion of women and of ethnic minority people are incorporated into the GAP and the EMDP.

C. Gender and Development

Gender Mainstreaming Category: Effective gender mainstreaming

1. Key issues. The gender analysis revealed that infrastructure improvements in heating, roads, water supply, and sanitation will all have a significant positive impact on women's time burdens, access to and use of services, and care burdens for the sick in their families. Women's participation in the environmental and road safety awareness programs and participation in key activities such as designation of garbage pickup sites are important areas for gender inclusion in the project design. During consultations, women raised the issue of unemployment and difficulty in finding jobs. A large proportion of the project beneficiaries are ethnic minority women. Consultations revealed the need to ensure their inclusion, and both the GAP and EMDP actions address this.

2. Key actions. Measures included in the design to promote gender equality and women's empowerment—access to and use of relevant services, resources, assets, or opportunities and participation in decision-making process:

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

Gender awareness training will be carried out for staff of the project management offices (PMOs) and implementing agencies. The GAP includes measures to ensure the inclusion of women in activities such as location of sanitation infrastructure, and environmental and road safety awareness. The Altay PMO has set targets for the employment of women to ensure their equitable inclusion. A livelihood training program will be provided for affected people, and 50% of the training will target women. Each county PMO will assign a staff member responsible for supervising the resettlement plans, EMDP, and GAP. The staff will also coordinate socioeconomic monitoring. The project implementation consultancy

will include a social and gender specialist who will also mentor PMO staff.			
III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS			
Issue	Significant/Limited/ No Impact	Strategy to Address Issue	Plan or Other Measures Included in Design
Involuntary resettlement	Significant It is estimated that 205 households will be affected by land acquisition and house demolition.	The resettlement plans developed include measures to restore the standard of living of all affected people to at least their original standard of living, and to replace and/or compensate for any loss of assets.	<input checked="" type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Combined resettlement plan and indigenous peoples plan <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> Environmental and social impact matrix <input type="checkbox"/> None
Indigenous peoples	Limited Ethnic minorities represent around 40%–50% of the urban county seat populations. They will benefit equally from better infrastructure, community training, enhanced quality of urban life that this will bring, and employment creation.	The focus of the EMDP is on ensuring inclusion of ethnic minorities. It includes targets for employment, outreach and participation, and attention to the language needs of project beneficiaries and cultural sensitivities.	<input checked="" type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Combined indigenous peoples plan and resettlement plan <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework <input type="checkbox"/> Indigenous peoples plan elements integrated in project design with a summary <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> Environmental and social impact matrix <input type="checkbox"/> None
Labor <input checked="" type="checkbox"/> Employment opportunities <input type="checkbox"/> Labor retrenchment <input checked="" type="checkbox"/> Core labor standards	The project will create 1,465 temporary jobs, and 353 permanent post- construction jobs. 70% of the temporary jobs will be unskilled. Employment indirectly created is estimated to be 3,800 jobs. Employment in operation and maintenance will generate 565 jobs.	The Altay PMO has set targets for women and ethnic minority people, to be employed in the construction. Core labor standards will be used.	<input type="checkbox"/> Plan <input checked="" type="checkbox"/> Other action <input type="checkbox"/> No action
Affordability	The affordability analysis concluded that the proposed tariffs are affordable, representing 1.5%–2.6% of average monthly household income and 1.2%–2.9% of lowest monthly household income.	Subsidies for the poor will be maintained.	<input type="checkbox"/> Action <input checked="" type="checkbox"/> No action
Other risks and/or vulnerabilities <input checked="" type="checkbox"/> HIV/AIDS <input type="checkbox"/> Human trafficking <input type="checkbox"/> Others (conflict, political instability, etc.)	Limited	The Center for Disease Control and contractors will carry out HIV/AIDS/STI awareness activities. These are included in the SAP and EMDP.	<input type="checkbox"/> Plan <input checked="" type="checkbox"/> Other action <input type="checkbox"/> No action
IV. MONITORING AND EVALUATION			
Are social indicators included in the design and monitoring framework to facilitate monitoring of social development activities and/or social impacts during project implementation? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

^a ADB. 2008. *Country Partnership Strategy: People's Republic of China, 2008–2010*. Manila.

Source: Asian Development Bank.