



Initial Poverty and Social Analysis

October 2018

People's Republic of China: Shaanxi Logistics Development Project

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Asian Development Bank

CURRENCY EQUIVALENTS
(as of September 2018)

Currency unit	–	yuan (CNY)
CNY1.00	=	\$0.14610
\$1.00	=	CNY 6.8448

ABBREVIATIONS

ADB	–	Asian Development Bank
ASEAN	–	Association of South-East Asian Nations
CAREC	–	Central Asia Regional Economic Cooperation
HIDZ	–	High-Tech Industrial Development Zone
IT	–	information technology
ITLP	–	International Transport & Logistics Park
PRC	–	People's Republic of China
SME	–	small- and medium-sized enterprise
TASF	–	Technical Assistance Special Fund
TRTA	–	transaction technical assistance

NOTE

In this report, "\$" refers to US dollars.

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INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	People's Republic of China	Project Title:	Shaanxi Logistics Development
Lending/Financing Modality:	Project	Department/Division:	East Asia Department/East Asia Transport and Communications Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS
<p>A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy Shaanxi is the gateway province to west of the People's Republic of China (PRC). The project supports the development of the logistics sector. The project is consistent with Asian Development Bank's country partnership strategy, 2016–2020 for the PRC, which seeks to develop the logistics industry, improve logistics service quality, improve logistics efficiency, and streamline and consolidate government supervision. The proposed project will improve the efficiency of logistics operations, which will enhance investment and employment opportunities and reduce the price of consumer goods, contributing to poverty reduction objectives and narrowing disparities between urban and rural development.</p>
<p>B. Poverty Targeting <input checked="" type="checkbox"/> General intervention <input type="checkbox"/> Individual or household (TI-H) <input type="checkbox"/> Geographic (TI-G) <input type="checkbox"/> Non-income MDGs (TI-M1, M2, etc.) The project will improve the logistics facilities which will reduce the cost of goods and enhance cargo handling. The project will indirectly contribute to poverty reduction by facilitating economic development in Shaanxi and provide new job opportunities, particularly in the logistics centers. Additionally, the project will also contribute to more efficient distribution of agricultural products from rural areas to urban markets.</p>
<p>C. Poverty and Social Analysis</p> <p>1. Key issues and potential beneficiaries. The primary beneficiaries are the people and industries located in Xi'an and its vicinity, especially those engaged in trade and logistics. The construction of the project will also create job opportunities for local people, and will provide them and local industries more reliable, efficient and cost-effective logistics services to promote investment, create job opportunities and reduce consumer prices.</p> <p>2. Impact channels and expected systemic changes. The project has the potential to benefit people in the project area through employment during the construction and operation of the project through increased availability of consumer goods at a reduced cost; and improved local trade opportunities. Any possible constraints to access the benefits and services will be examined and addressed during the technical assistance (TA) and a comprehensive Social Development Action Plan (SDAP) will be prepared.</p> <p>3. Focus of (and resources allocated in) the transaction TA or due diligence. The TA will assess the social and poverty impacts of the project components and help to ensure that (i) benefits flow to all segments of the population; (ii) livelihoods are maintained, and employment is generated; and (iii) the designs are socially and environmentally sustainable. Sufficient resources will be allocated to undertake social and poverty analysis. Three social development and safeguards specialists (international 2.0 person-months, and national involuntary resettlement 2.0 person-month, and national social, poverty and gender 2.0 person-months) will be part of the TA team to undertake resettlement, social, and poverty analyses.</p> <p>4. Specific analysis for policy-based lending. n/a</p>
II. GENDER AND DEVELOPMENT
<p>1. What are the key gender issues in the sector and/or subsector that are likely to be relevant to this project or program? The improved logistics infrastructure will benefit women equally. Employment opportunities for women will occur during and after project completion (e.g., unskilled work during construction, area development, and induced economic development). How the project could contribute to addressing women's development related needs will be further assessed during the TA to incorporate appropriate gender measures in the project design. The project is unlikely to cause any adverse impacts for women. Any potential risks, however, will be assessed and, if required, measures will be developed to avoid or minimize these.</p>
<p>2. Does the proposed project or program have the potential to contribute to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

The project will result in job creation mainly during its operation and will provide job opportunities for women. The SDAP will be developed during TA to ensure appropriate measures including employment opportunities and skills training for benefitting women.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?
 Yes No

The project is unlikely to have any adverse impacts on women/girls. The potential risks will be further assessed during the TA.

4. Indicate the intended gender mainstreaming category:
 GEN (gender equity) EGM (effective gender mainstreaming)
 SGE (some gender elements) NGE (no gender elements)

II. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.

The main stakeholders include government agencies at all levels, local businesses, freight forwarders, the local communities and entrepreneurs.

2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable, and excluded groups? What issues in the project design require participation of the poor and excluded?

The project will have a consultation and participation strategy to ensure meaningful consultation with all stakeholders. The consultation and participation strategy will ensure timely information to communities, project affected households and all relevant agencies. Modes of consultation and participation will include organizing public meetings, focus groups, and such other modes of direct consultation with affected communities and affected households.

3. What are the key, active, and relevant civil society organizations (CSOs) in the project area? What is the level of civil society organization participation in the project design?

Information generation and sharing (H) Consultation (H) Collaboration Partnership

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how should they be addressed? Yes No Please explain.

The participation of people who may benefit from enhanced cargo handling for transporting goods to and from the rural areas in the province is required. For the poor and excluded, consultations during the social and poverty analysis will be undertaken to ensure their concerns are addressed under the SDAP.

III. SOCIAL SAFEGUARDS

A. Involuntary Resettlement Category A B C FI

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? Yes No Please explain, and provide information on the extent of land and assets acquisition and the estimated number of affected persons. Also describe actions and/or measures to be conducted during due diligence to address involuntary resettlement.

Involuntary resettlement is tentatively categorized as Category B. Some land acquisition and resettlement is required for cold chain logistics base in International Transport and Logistic Park (ITLP) (up to 385 *mu*) and cold chain logistics base in Hi-Tech Industrial Development Zone (HIDZ). Land has been acquired for rural logistics demonstration terminal in ITLP and bulk commodity distribution center in HIDZ. Due diligence reports will be required for these sites. Social due diligence for the financial intermediary loan component will be carried out, and environmental and social management system arrangement will be prepared during the TRTA implementation. A socio-economic analysis of the project impacts will be undertaken, and measures will be developed to deal with any possible negative impacts. People affected by involuntary resettlement will be consulted and their recommendations will be integrated in the resettlement plan that will be prepared to deal with the impacts of involuntary resettlement.

2. What action plan is required to address involuntary resettlement as part of the transaction TA or due diligence process?

Resettlement plan Resettlement framework Social impact matrix

<input checked="" type="checkbox"/> Environmental and social management system arrangement	<input type="checkbox"/> None
B. Indigenous Peoples Category <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI	
1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please explain, and provide information on the potential benefits and/or expected impacts, as well as the actions and/or measures to be conducted during transaction TA or due diligence to address the concerns of indigenous peoples. No indigenous communities in the project area.	
3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please explain. There are no indigenous communities in the project area, so broad community support is not required.	
4. What action plan is required to address risks to indigenous peoples as part of the transaction TA or due diligence process? <input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Social impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> None	
IV. OTHER SOCIAL ISSUES AND RISKS	
1. What other social issues and risks should be considered in the project design? <input checked="" type="checkbox"/> Creating decent jobs and employment (M) <input checked="" type="checkbox"/> Adhering to core labor standards (M) <input checked="" type="checkbox"/> Labor retrenchment (L) <input checked="" type="checkbox"/> Spread of communicable diseases, including HIV/AIDS (L) <input type="checkbox"/> Increase in human trafficking <input type="checkbox"/> Affordability <input type="checkbox"/> Increase in unplanned migration <input type="checkbox"/> Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability <input type="checkbox"/> Creating internal social conflicts <input type="checkbox"/> Others, please specify _____ Indicate high (H), medium (M), low (L) for selected boxes	
2. How are these additional social issues and risks going to be addressed in the project design? These social issues and risks will be adequately assessed during the TA and proper measures will be developed in the SDAP.	
VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT	
1. Do the terms of reference for the transaction TA (or other due diligence) contain key information needed to be gathered during transaction TA or due diligence process to better analyze (i) poverty and social impact, (ii) gender impact, (iii) participation dimensions, (iv) social safeguards, and (v) other social risks. Are the relevant specialists identified? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please explain why.	
2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social, and/or gender analysis, and participation plan during the transaction TA or due diligence? Three social development and safeguards specialists (international 2.0 person-months, and national involuntary resettlement 2.0 person-month, and national social, poverty and gender 2.0 person-months) will be part of the TA team to undertake resettlement and social and poverty analysis.	