Initial Poverty and Social Analysis

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People’s Republic of China: Guangxi Environmentally Sustainable Rural Development Demonstration Project

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Asian Development Bank
CURRENCY EQUIVALENTS
(as of 21 January 2022)

Currency unit – yuan (CNY)
CNY 1.00 = $0.1577
$1.00 = CNY6.3411

ABBREVIATIONS

ACWF – All China Women’s Federation
ADB – Asian Development Bank
CSO – civil society organization
ESMS – environmental and social management system
ESMSA – environmental and social management system arrangement
GHG – greenhouse gas
GZAR – Guangxi Zhuang Autonomous Region
OP – operational priorities
PRC – People’s Republic of China
SDG – Sustainable Development Goals
SMEs – small and medium-sized enterprises
TA – technical assistance

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INITIAL POVERTY AND SOCIAL ANALYSIS

Country: People’s Republic of China

Project Title: Guangxi Environmentally Sustainable Rural Development Demonstration Project

Lending/Financing Modality: Project Loan/Financial Intermediation Loan

Department/Division: East Asia Department/ Public Management, Financial Sector, and Regional Cooperation Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The project is aligned with (i) the People’s Republic of China’s (PRC) Fourteenth Five-Year Plan, 2021–2025, which aims to promote the establishment of modern agricultural and rural demonstration areas, improve rural environment conservation and protection, and coordinate the development of rural and urban areas for improvement of agricultural productivity and rural incomes; and (ii) National Strategic Plan for Rural Vitalization, 2018-2022, which promotes environmentally sustainable agricultural development, improvement of rural basic public services and enhancing rural governance, and rural ecological conservation. The project is aligned with Asian Development Bank’s (ADB) country partnership strategy for the PRC, 2021–2025, through its support for (i) environmentally sustainable development, and (ii) climate change adaptation and mitigation. The project will support key strategic operational priorities of ADB’s Strategy 2030, particularly: (i) OP1: addressing remaining poverty and reducing inequalities by raising the income level of rural farmers; (ii) OP2: accelerating progress in gender equality by expanding employment opportunities for women; (iii) OP3: tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability by reducing greenhouse gas emissions and increasing resilience to climate change; (iv) OP5: promoting rural development by supporting agriculture value chain expansion; and (v) OP6: strengthening governance and institutional capacity by building the capacity of project area residents, particularly farmers, to engage with the private sector. The Project will also contribute to achieving the Sustainable Development Goals, particularly, (i) SDG 2 on promoting sustainable agriculture; (ii) SDG 5 on achieving gender equality and empowering all women and girls by expanding employment opportunities for women; (iii) SDG 6 on ensuring availability and sustainable management of water and sanitation for all; (iv) SDG 10 on reducing inequality within and among countries by raising the income level of rural farmers and residents; (v) SDG 13 on taking urgent action to combat climate change and its impacts by reducing GHG and making rural areas resilient to climate change; and (vi) SDG 14 on conserving and sustainably using the oceans, seas and marine resources for sustainable development.

B. Targeting Classification

☒ General Intervention ☐ Individual or Household (TI-H) ☐ Geographic (TI-G) ☐ MDGs

Guangxi Zhuang Autonomous Region (GZAR) remains one of the underdeveloped provinces in the country, with per capita gross domestic product of CNY44,700, ranking 29th out of 31 provinces. GZAR has a total population of 50.13 million and about 45.8% are the rural population. Average annual per capita income for rural population was CNY14,815 in 2020, amounting to only 41% of average annual per capital income for urban population.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. The potential beneficiaries are the local government, rural farmers and entrepreneurs, private sector, and other stakeholders whose knowledge, skills, and capacity will be enhanced to plan and implement agribusiness value chain transformation, green economic diversification, and climate resilience environmental management in support of environmentally sustainable rural development while agricultural enterprises will benefit from the ESG financing facility that will be established. Rural communities will also benefit from the innovative energy saving wastewater and solid waste treatment and recycling system that will be built to sustainably address rural pollution. The transaction technical assistance (TA) will further identify the project’s beneficiaries, undertake beneficiary analysis, and prioritize their needs to be addressed by the project.

2. Impact channels and expected systemic changes. The project activities are expected to result in improved environment and living standards for residents in the project area. The project will also create job opportunities during construction that will be mostly available for local people. The improved living environment and increased job opportunities are expected to benefit low-income people as well. The TA will undertake the social analysis and identify the project’s impacts among different groups of beneficiaries, including low-income people.

3. Focus of (and resources allocated in) the Transaction TA or due diligence. The TA consultant team will include an international social development and resettlement specialist, a national social development specialist, and a national resettlement specialist. Adequate budget will be included in the TA to conduct (i) poverty, gender, and social analysis; (ii) conduct social safeguards due diligence; and (iii) prepare necessary action plans on safeguards, social development, gender, and participation.
II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program? Women comprise an increasing proportion of residents in rural areas due to outmigration of men. Women are burdened with household work, limited local opportunities, poor living environment, and relatively low participation in community-level decision-making. The TA will assess gender issues through conducting social and gender analysis and consultations with women groups in the project area to identify women’s specific needs and provide measures to access agribusiness opportunities, skills trainings, project-related jobs, and improve their living environment.

2. Does the proposed project or program have the potential to make a contribution 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? ☒ Yes ☐ No

The project will improve the environment and living standards benefiting women and men through improved wastewater and solid waste management system, green business development and management services support for small and medium-sized enterprises (SMEs), and better access to and provision of financial service for agricultural enterprises, cooperatives, and farmers. The TA consultants will support the Government in carrying out meaningful consultation, assessing women’s needs, and in developing measures to ensure women in the project area will be able to actively participate and benefit equitably. A gender action plan will be prepared. Women will be empowered through their participation in project activities.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality? ☐ Yes ☒ No. The project is not expected to widen gender inequality or have differential adverse impacts on women.

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

III. 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. Timely disclosure of project information and meaningful consultations will allow project beneficiaries, i.e., government, private sector, rural communities, and households potentially affected by involuntary resettlement impacts provide feedback during project design.

2. Who are the key, active, and relevant CSOs in the project area? All China Women's Federation (ACWF) and farmers' cooperatives are some of the key active civil society organizations (CSO). Other relevant CSOs identified during project preparation will be consulted and encouraged to participate during project design.

3. Are there issues during project design for which participation of the poor and vulnerable is important? ☒ Yes ☐ No. If yes, what are these issues? The design of infrastructures, public awareness raising, and trainings will need participation of residents, including low-income groups. Preparation of resettlement plan and other mitigation plans need participation of affected people to ensure that any impacts and risks are taken into account and measures are developed in consultation with them.

4. How will the project ensure the participation of beneficiaries and affected people, particularly the poor and vulnerable and/or CSOs, during project design to address these issues? Timely disclosure of project information and activities, and meaningful consultations will be carried out to ensure that the project beneficiaries, especially the poor and vulnerable groups will be able to access project information, and that their concerns, comments, and suggestions are reflected in the project design.

5. What level of CSO participation is planned during the project design? ☒ Information generation and sharing (M) ☒ Consultation (M) ☒ Collaboration (L) ☐ Partnership N.A.

IV. SOCIAL SAFEGUARDS

A. Involuntary Resettlement Category ☒ A ☐ B ☐ C ☐ F1

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? ☒ Yes ☐ No

Activities will include purchase of equipment, improvement and upgrading of existing facilities within the premises of state-owned land or already established agribusiness zones. Wastewater treatment and solid waste management and recycling systems are expected to require a small allocation of village collective land or will be constructed on government-owned land. Assessment of social impacts on involuntary resettlement will be carried out. Due diligence reports for existing facilities or past land acquisition, resettlement plan/s, if involuntary...
resettlement is triggered, and an environmental and social management system arrangement (ESMSA), will be prepared.

2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?
   - Resettlement plan
   - Resettlement framework
   - Social impact matrix
   - Environmental and social management system arrangement
   - None

B. Indigenous Peoples Category

1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples?  
   - Yes
   - No

   The total registered population in Guangxi Zhuang Autonomous Region (GZAR) in 2020 is 50,126,800, of which, 37.52% are Zhuang and other ethnic minorities (Dong, Miao). Assessment of social impacts on ethnic minorities will be carried out during project preparation and an ethnic minority development plan will be prepared. For the FI component, the ESMSA will include criteria, screening, and specific measures for ethnic minorities.

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain?  
   - Yes
   - No

3. Will the project require broad community support of affected indigenous communities?  
   - Yes
   - No

4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?
   - Indigenous peoples plan
   - Indigenous peoples planning framework
   - Social Impact matrix
   - Environmental and social management system arrangement
   - None

V. OTHER SOCIAL ISSUES AND RISKS

1. What other social issues and risks should be considered in the project design?
   - Creating decent jobs and employment (M)
   - Adhering to core labor standards (M)
   - Labor retrenchment
   - Spread of communicable diseases, including HIV/AIDS (L)
   - Increase in human trafficking
   - Affordability (L)
   - Increase in unplanned migration
   - Increase in vulnerability to natural disasters
   - Creating political instability
   - Creating internal social conflicts
   - Others, please specify __________________

2. How are these additional social issues and risks going to be addressed in the project design?
   - Potential job opportunities during project construction and operation phases will be assessed.
   - Measures to address any adverse impacts or risks on communities will be developed and included in the action plans.
   - Requirements of a compliance with labor regulations and core labor standards will be included in the project assurances.

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 (vi) other social risks. Are the relevant specialists identified?  
   - Yes
   - No

   The TA consultants’ terms of reference include relevant activities, including (i) conducting poverty, gender and social analyses; and (ii) preparation of relevant planning documents, including a resettlement plan, an ethnic minority development plan, ESMS Arrangement, a social development action plan, and a gender action plan.

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?

   An international resettlement and social development specialist, a national resettlement specialist, and a national social development specialist will be included in the TA team. Necessary budget for survey, workshops, etc. is also included in the TA.

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ESMS = environmental and social management system