



## Initial Poverty and Social Analysis

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Project Number: 51399-001  
December 2018

### PRC: Eco-Industrial Park Waste-to-Energy Project

An initial poverty and social assessment (IPSA) is prepared in the early stage of the project cycle to assess the significance of social issues for a project. In accordance with ADB's public communications policy (PCP, 2005), the IPSA is disclosed upon completion. The final summary social assessment is included as an appendix to the project's report and recommendation of the President.

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country: People's Republic of China Project Title: Eco-Industrial Park Waste-to-Energy Project

Lending/Financing Modality: General Corporate Finance (GCF) Department/Division: Private Sector Operations Department/Infrastructure Division 2

### **I. POVERTY IMPACT AND SOCIAL DIMENSIONS**

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

The proposed project involves development and operation of selected municipal solid waste waste-to-energy (WTE) plants, most of which are likely to be located within eco-industrial parks (EIPs) in second- and third-tier cities in the People's Republic of China (PRC). The project is consistent with the Asian Development Bank's (ADB's) country partnership strategy for the PRC for 2016–2020,<sup>a</sup> and its country operations business plan, 2018–2020,<sup>b</sup> both of which promote support for environmentally sustainable urban infrastructure development, green cities development, and private sector development.

#### **B. Targeting Classification:**

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

The proposed project will directly and indirectly contribute to poverty reduction locally through the creation of temporary and permanent jobs.

#### **C. Poverty and Social Analysis**

1. Key issues and potential beneficiaries. The absence of proper solid waste management system leads to greenhouse gas (GHG) emissions and exposes the urban poor living near the landfills to severe air pollution, and contaminated soil and groundwater. The project will contribute to GHG emission reduction and contribute to the creation of more liveable cities in the PRC. The project will help reduce health impacts associated with air pollution affecting the general population particularly the poor and vulnerable. It is also expected that the project will generate short- and long-term employment opportunities and will benefit the local people.
2. Impact channels and expected systemic changes. The additional WTE power generation capacity will also contribute to a reduction in carbon dioxide emissions.
3. Focus of (and resources allocated in) the PPTA or due diligence. The project will involve development and operation of selected municipal solid waste-to-energy (WTE) plants. During due diligence, the following will be assessed: impact of project in relation to land acquisition, other social impacts of the project to the local communities, employment opportunities, assessment of community health, safety and security practices and measures currently being implemented by SUS.
4. Specific analysis for policy-based lending. Not applicable.

### **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? In general, the project will benefit both men and women in terms of reduction of GHG emissions through improved municipal solid waste management. In addition, it will contribute to energy generation from WTE plants that seeks to replace electricity generated by coal-fired plants. Although employment opportunities will be available during construction and operation of WTE plants that will be developed, the nature of work and expertise required may limit the target of SUS to employ women during construction. The project sponsor will, however, adhere to the principle that there will be no discrimination during recruitment of project workers.

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

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

Yes  No

4. Indicate the intended gender mainstreaming category:

GEN (gender equity theme)  EGM (effective gender mainstreaming)  
 SGE (some gender elements)  NGE (no gender elements)

The borrower has committed to increase its female staff by seeking to hire an additional female staff. Relevant training will also be provided to its female staff members to expand their opportunities for career development.

<b>III. PARTICIPATION AND EMPOWERMENT</b>
<p>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 project stakeholders include the government who is in charge of land acquisition to develop Eco-industrial Parks (EIPs) where most of the proposed WTE projects will be located, businesses, households especially those who are poor and vulnerable in terms of reduction in health impacts associated with air pollution, and individuals who will be employed during construction and operation of the WTE plants.</p> <p>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? After an EIP has been established and a concession has been awarded to SUS for construction and operation of a particular WTE project, public consultations will be undertaken by SUS as required by the PRC's environmental impact assessment regulations. Activities include consultation via public hearings, interviews, forums and panel discussions. During operation of its WTE facilities, the company consults with the public through public open days to provide an opportunity for nearby residents and other members of the public to visit the site, to be made aware of the social and environmental impacts and benefits associated with the project, and the control measures implemented by SUS with regards to environmental pollution and emissions.</p> <p>3. What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design?</p> <p>(L) <input checked="" type="checkbox"/> Information generation and sharing <input type="checkbox"/> Consultation <input type="checkbox"/> Collaboration <input type="checkbox"/> Partnership</p> <p>4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how shall they be addressed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<b>IV. SOCIAL SAFEGUARDS</b>
<p><b>A. Involuntary Resettlement Category</b> <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No The project's land acquisition impacts are not expected to be significant. Land will be acquired by the government to establish WTE facilities in accordance with zoning regulations. Site selection is based on urban and overall land use planning; priority criteria for selection are connections to roads, pipe networks and public services. In most cases, concessions to develop each WTE facility is granted after an EIP has been established.</p> <p>2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?</p> <p><input type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix  <input checked="" type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None</p>
<p><b>B. Indigenous Peoples Category</b> <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p> <p>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  The WTE plants will be located in second- and third-tier cities in the PRC. The proposed project is not anticipated to impact vulnerable ethnic minorities. Proposed WTE projects are not expected to affect territories or natural and cultural resources owned, used, occupied or claimed by vulnerable ethnic minorities as their ancestral domain or traditional lands.</p> <p>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</p> <p>3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?</p> <p><input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Social Impact matrix  <input checked="" type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None</p>
<b>V. OTHER SOCIAL ISSUES AND RISKS</b>
<p>1. What other social issues and risks should be considered in the project design?</p> <p>(L) <input checked="" type="checkbox"/> Creating decent jobs and employment (L) <input checked="" type="checkbox"/> Adhering to core labor standards (L) <input checked="" type="checkbox"/> Labor retrenchment</p> <p>2. How are these additional social issues and risks going to be addressed in the project design? As a leader in waste management industry, retrenchment will be unlikely for SUS. But in the event that the company anticipates a collective dismissal of significant number of the workforce, SUS shall, on a best-efforts basis, develop a plan to mitigate the adverse impacts of retrenchment in line with applicable national law, good industry practice, ADB's Social Protection Strategy (2001) and based on the principles of non-discrimination; and that consultation will be reflected in the final retrenchment plan. SUS, its contractors and subcontractors will comply with the national labor laws and will take measures to comply with the relevant core labor standards.</p>

<b>VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT</b>
1. Do the terms of reference for the PPTA (or other due diligence) contain key information needed to be gathered during PPTA 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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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 PPTA or due diligence? The ADB Team will conduct due diligence and meetings with the project sponsor covering social safeguards, labor, gender, and other social aspects of the project.

Source:

<sup>a</sup> ADB. 2016. *Transforming Partnership: People's Republic of China and Asian Development Bank*, 2016-2020. Manila.

<sup>b</sup> ADB. 2018. Country Operations Business Plan: People's Republic of China, 2018-2020. Manila.