



Initial Poverty and Social Assessment

Project Number: P40389
June 2009

PAK: Punjab Cities Improvement Investment Program

Country/Project
Title:

PAK: Punjab Cities Improvement Investment Program

Lending/Financing
Modality:

Multitranche Financing Facility (MFF)

Department/
Division:

CWRD/CWUS

I. POVERTY ISSUES

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

Pakistan's Poverty Reduction Strategy Paper, the 2005 Medium-Term Development Framework (MTDF 2005–2010), and Vision 2030, together identify economic growth; improved governance; and devolution and human development essential to reduce poverty. The MTDF also prioritizes investments in balanced rural and urban development, upgrading physical infrastructure, achieving the Millennium Development Goals (MDGs), and supporting private sector development. The proposed **Punjab Cities Improvement Investment Program** (the program) is fully consistent with these national objectives. Its focus on more efficient, accountable water supply, sanitation (WSS) and solid waste management (SWM) services and priority infrastructure, leveraging private sector partnerships for better performance, MDGs, governance reforms, improved physical infrastructure, and private sector development. Improved water, sanitation, and health are recognized as core elements of human development, and important for urban economic growth. The program's focus on intermediate cities supports balanced rural-urban development.

ADB's **Pakistan Country Partnership Strategy (CPS) 2009–2013** supports sustained economic growth and poverty reduction through four main strategic areas (energy, infrastructure, reforms, and urban services), and one cross-cutting area (improving project implementation). The program directly links to four of these priority areas: **urban services, infrastructure, reforms and improving project implementation**. It will support fundamental reforms in policies and institutions responsible for basic urban service delivery and improves related infrastructure in WSS, SWM and urban transport. The CPS also supports key themes, including **capacity building, governance, and fiduciary standards; gender mainstreaming; the environment and climate change, and private sector development**. The program is fully consistent with these thematic thrusts. It will support better structured, managed, governed and accountable urban service providers. Measures will be included in the design to promote women's access to and use of relevant services, with focus on consumer empowerment. Urban environmental improvement is a core objective; opportunities to access the clean development mechanism will be explored. As service provision needs to be progressively placed on a commercial and self-sustaining basis, leveraging private sector expertise and incentive structures will be key.

B. Targeting Classification

1. Select the targeting classification of the project:

General Intervention Individual or Household (TI-H); Geographic (TI-G); Non-Income MDGs (TI-M7)

2. **Explain the basis for the targeting classification:** The program will contribute directly to the achievement of Target 3 of MDG 7—halve, by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation.

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?** N/A

2. **What resources are allocated in the PPTA/due diligence?** A total of 3 person–months of international and national social development consulting services, including advice on pro-poor service delivery options. Provisional sums of \$41,000 and \$21,000 have been allocated for the socio-economic/poverty assessment and willingness-to-pay surveys, respectively. Four person–months of international and national consultants have been allocated for resettlement and social safeguards. Relevant outputs will include poverty and socioeconomic surveys, baseline service delivery surveys, willingness-to-pay survey, gender action plan, and resettlement documentation. Consultants will include a social development specialist to oversee social and poverty analysis and to develop a gender

action plan. The TA will recommend measures to increase access to urban services for low-income houses and for women.

3. If GI, is there any opportunity for pro-poor? N/A

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?** Improved urban services will benefit about 6 million residents of 11 intermediate Punjab cities. A social development/ gender expert during the PPTA will ensure a pro-poor, gender/vulnerable group sensitive design to increase access to benefits.
2. **What are the potential needs of beneficiaries in relation to the proposed project?** Urban residents need potable water, delivered reliably to their households. They need access to covered drains, sewers and waste water treatment. They need garbage removed from their streets and disposed of safely. They need better access to bus transport and less traffic congestion. Access to piped water in a sample of four secondary cities ranges from 14% to 55%. However, these water supplies are intermittent (only 2–3 hours of service per day) and unsafe for drinking. Sewerage access ranges from 20% to 50%. Only about 50% of these urban residents have municipal SWM services; there are no sanitary landfills.
3. **What are the potential constraints in accessing the proposed benefits and services, and how will the project address them?** High upfront connection charges often prevent the poor's access to piped water supply. More fundamentally, the poor suffer disproportionately from poorly managed urban service providers. They are least able to afford the coping costs of dealing with systemic failure. The program will design pro-poor connection regime and promote overall reforms in service providers to build sustainable utilities incentivized to deliver services to the poor. Without professionalized utilities, this will not happen.

B. Consultation and Participation

1. **Indicate the potential initial stakeholders.** Urban communities, private sector, NGOs, local governments, tehsil municipal administrations, cantonments, the provincial government, and the federal government dealing.
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.)?** There will be a series of public consultation meetings, household surveys, focus group discussions, and workshops. Public meetings will be conducted on resettlement and environmental issues as required. At Tehsil level, focus group discussions with representatives of schools, labor, women, and religious groups; and the business sector will be organized to share information and advice on reforms and investments and as to how ADB support can address community concerns.
3. What level of participation is envisaged for project design?
 Information sharing Consultation Collaborative decision making Empowerment⁷
4. Will a C&P plan be prepared? Yes No Please explain.
There is no C&P plan as yet. The need for a C&P as against other mechanisms will be assessed under the PPTA.

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?** Women in these intermediate cities work primarily as homemakers and spend hours each day retrieving, storing or otherwise "managing" water supply for preparing meals, washing clothes, cleaning the house and latrines, etc. Poor quality water and unreliable water supply directly impacts women. Given societal constraints on women, mobility is limited. This will be factored into stakeholder consultation strategies and designs to give female consumers access to information, services and complaint mechanisms.

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

Measures will be included in the design to promote women's access to and use of relevant services, with focus on consumer empowerment. Gender concerns will be mainstreamed through disaggregated data collection and monitoring and evaluation; gender-sensitive customer complaint mechanisms; gender-inclusive community outreach and consultations; public accountability mechanisms; and urban service company governance. A gender action plan will guide this mainstreaming.

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

Providing households with adequate and good-quality potable water will have a positive impact on women and girls. It will lighten their work load and free up time. Improved water supply and sanitation should also have a positive impact on the health of all family members, especially children, further lessening burdens on women.

III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS

Issue	Nature of Social Issue	Significant/ Limited/ No Impact/ Not Known	Plan or Other Action Required
<u>Involuntary Resettlement</u>	Relocation (temporary or permanent) may be required for some components such as wastewater treatment. Land acquisition and resettlement framework (LARF) will be prepared; land acquisition and resettlement plans (LARPs) will be prepared if needed. LARF will be relevant to all MFF tranches.	Limited Impact	<input type="checkbox"/> Full Plan <input checked="" type="checkbox"/> Short Plan <input checked="" type="checkbox"/> Resettlement Framework <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain
<u>Indigenous Peoples</u>	Social assessment survey will confirm if there are affected indigenous people in participating cities. This is unlikely as such tribal communities existing outside the cultural and legal mainstream of Pakistan society are generally not present in Punjab intermediate cities.	No Impact	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input type="checkbox"/> Indigenous Peoples Framework <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Labor <input type="checkbox"/> Employment Opportunities <input type="checkbox"/> Labor Retrenchment <input checked="" type="checkbox"/> Core Labor Standards	Civil works contracts will adhere to applicable labor laws and regulations. Loan assurances will include provisions against differential payment between men and women for work of equal value, and against child labor.	No Impact	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
<u>Affordability</u>	Affordability and willingness-to-pay will be assessed through surveys. Households already pay significant amounts for water supply from alternative sources. They also incur costs related to illness due to poor water and sanitation. PPTA will identify pro-poor tariff and connection strategies. Properly managed piped-water systems will be most cost-effective and affordable over time.	Limited Impact	<input checked="" type="checkbox"/> Action <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain

<p>Other Risks and/or Vulnerabilities</p> <p><input type="checkbox"/> HIV/AIDS</p> <p><input type="checkbox"/> Human Trafficking</p> <p><input checked="" type="checkbox"/> Others (conflict, political instability, etc.), please specify</p>	<p>Political instability and civil unrest in Punjab Province may hinder timely implementation. MFF modality provides some flexibility in investment timing to accommodate such risks.</p>	<p>Limited Impact</p>	<p><input type="checkbox"/> Plan</p> <p><input type="checkbox"/> Other Action</p> <p><input checked="" type="checkbox"/> No Action</p> <p><input type="checkbox"/> Uncertain</p>
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IV. PPTA/DUE DILIGENCE RESOURCE REQUIREMENT

1. Does 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 why.

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 why.