

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Pakistan	Project Title:	Proposed Loan for Additional Financing and Administration of Loan and Grant for Additional Financing Islamic Republic of Pakistan: National Motorway M-4 Gojra–Shorkot–Khanewal Section Project
Lending/Financing Modality:	Project loan	Department/ Division:	Central and West Asia Department/ Transport and Communications Division

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Poverty targeting: general intervention

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

Pakistan's strategic location offers the potential for the country to become a regional transport hub by connecting landlocked Central Asian countries with Pakistan's seaports through road infrastructure. Recognizing the importance of transport to the economy, the Government of Pakistan is committed to investing in improvements to the transport infrastructure. The project is aligned with the government's Vision 2025^a to meet the objective of sustainable economic growth by increasing Pakistan's competitiveness.

The government's poverty reduction strategy, PRSP-II (2009–2011),^b provides a framework that will be valid beyond the 3-year term and recognizes that economic growth and service delivery are crucial in achieving inclusive growth and poverty reduction. The project will bring better connectivity, a catalyst for accelerated growth and sustainable macroeconomic development, and generate more economic activities and employment along and beyond the project corridor, which indirectly leads to an increase in social spending to benefit the poor. These goals are in line with the Asian Development Bank (ADB) country partnership strategy, 2015–2019 for Pakistan^c and fit with ADB's midterm review of Strategy 2020, which stresses the need for inclusive growth, infrastructure development, and development of human capital.^d

B. Results from the Poverty and Social Analysis during Project Preparation or Due Diligence

1. Key poverty and social issues. The country's gross domestic product per capita is \$1,386, with annual growth of 4.14%.^e The national poverty rate is 33% with a high urban–rural disparity (18% urban and 46% rural poverty incidence), while 21% of the population lives below the extreme poverty line. The Punjab (the site of the project) is among the least-poor provinces in Pakistan, with a poverty incidence of 19% (urban 10% and rural 28%). However, within the province, poverty levels are uneven—the south has a much higher poverty incidence than the northern districts. The project concerns three districts of central Punjab, i.e., Toba Tek Singh, Jhang, and Khanewal with poverty headcount index of 10% in Toba Tek Singh, 26% in Jhang, and 28% in Khanewal.^f

2. Beneficiaries. The main direct beneficiaries of the project are the local population, transport operators, freight forwarders, and those involved in trading agricultural products, as better connectivity through motorway M-4 will lead to better socioeconomic networking. Indirect beneficiaries are large sectors of the population who will gain from cheaper and more readily available goods across the country, and from easier access to health, education, and social facilities.

3. Impact channels. The design includes traffic signs, markings, fencing, underpasses, and controlled exit and entry points at designated interchanges, which will make access easier and safer for all inhabitants along both sides of the M-4 and also boost overall road safety. It will produce several other benefits, including lower transportation costs and reduced travel and shipment times, all of which will contribute to sustainable economic growth. Diversion of freight and intercity traffic to the M-4 will reduce congestion on national highways, resulting in faster travel and better safety for local communities. During construction works, the local population will benefit from short-term jobs and other livelihood opportunities such as selling food and goods to construction workers.

4. Design features. The project aims to increase economic growth by enabling trade and traffic along the M-4. The improved infrastructure and transportation facilities will contribute to better access to markets, social services, and community networking for the local and population of the wider region along the project corridor.

II. PARTICIPATION AND EMPOWERING THE POOR

1. Since the preparatory stages of the project, public consultations with local authorities and populations have been held continuously to disseminate project-related information and discuss issues, such as potential impacts during civil works.

2. Local communities working and/or residing along the proposed M-4 section have been consulted to ensure project inclusiveness. Public consultations will be held regularly during implementation to provide updated information on the project as well as safeguards implementation progress and ensure community involvement at different stages in the project cycle. With due consideration to socio-cultural sensitivities in the area, consultations will be held separately with men and women, and at times and places convenient to each.

3. The executing agency has been conducting public consultation with local communities and civil society organizations during project preparation, and will continue to do so in conjunction with the local authorities.

4. What forms of civil society organization participation is envisaged during project implementation?

☒ (M) Information gathering and sharing ☒ (M) Consultation ☒ (L) Collaboration ☐ (N) Partnership

5. Will a project-level participation plan be prepared to strengthen participation of civil society as interest holders for affected persons, particularly the poor and vulnerable?

☒ Yes. A project communication plan will be prepared to ensure that stakeholders are aware of and engaged with the

project, especially in the areas of resettlement planning, consultation, and grievance redress. <input type="checkbox"/> No											
III. GENDER AND DEVELOPMENT											
Gender mainstreaming category: no gender elements (NGE)											
<p>A. Key issues. The government ratified the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW) in 1996, and has adopted several laws and legal provisions to protect women's rights and assure their well-being. Pakistan ranks 121st out of 188 countries on the gender inequality index and the overall labor force participation rate for women is only 24.6%, much lower than the rate for men (82.9%).⁹ Because of the socioeconomic fabric of the country, women's participation in the formal economy is negligible and their economic contribution is largely invisible. The road construction industry in Pakistan represents women far less than other industries. Because of unfavorable working conditions, women generally do not opt for a profession in construction. Concurrently, some socioeconomic and cultural or religious constraints also hinder women's participation in this area. The proposed project will have no disproportionately negative impacts on women during implementation. Instead, under the land acquisition and resettlement plan (LARP), women will be entitled to compensation for their impacted assets, resettlement and rehabilitation assistance, and additional assistance to households headed by women (if identified); their participation shall be ensured in gender-sensitive grievance redress mechanism and future consultations for raising their voices and getting their concerns (if any) addressed during execution of works. However, it is observed that the lack of female-friendly facilities such as women's restrooms, adequate road lighting, and signage along the roads makes travel difficult for women.</p> <p>B. Key actions. The main activities during civil works will involve heavy machinery, with limited use of unskilled labor. In any case, established socio-cultural practices in the province mean that women residing along the project road are unlikely to participate in civil works or roadside business with construction workers. The nature of the project and the local social context mean that opportunities for gender design elements are severely limited, so the project is categorized as having no gender elements. Nevertheless, appropriate gender-inclusive facilities will be considered, such as roadside rest areas where women can sell produce, food, and drinks; separate restrooms for female travelers; and road safety features such as lighting and signage. Bidding documents will include clauses that mandate gender equality in wages and the conduct of awareness-raising campaigns on sexually transmitted infections and human trafficking.</p> <p><input type="checkbox"/> Gender action plan <input checked="" type="checkbox"/> Other actions or measures <input type="checkbox"/> No action or measure</p>											
IV. ADDRESSING SOCIAL SAFEGUARD ISSUES											
A. Involuntary Resettlement	Safeguard Category: <input checked="" type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI										
<p>1. Key impacts. The additional financing of the project M-4 Gojra–Shorkot–Khanewal requires acquisition of 622.2 hectares of private land that will impact on 3,429 households. In these households, 2,754 people will lose more than 10% of their land and 1,302 people will be physically displaced. A LARP has been prepared based on the detailed design, was disclosed on ADB's website on 20 January 2016, and is being implemented.</p> <p>2. Strategy to manage the impacts. Impacts of the project will be mitigated by implementing the LARPs and conducting continuous monitoring during implementation. A draft LARP for the M-4 was originally prepared and approved for implementation as a tranche project under the multitranchise financing facility for the National Trade Corridor Highway Investment Program, which will close in December 2017. After the shift from a tranche to a stand-alone project, the LARP for the project section (Gojra–Shorkot–Khanewal) of additional financing of the M-4 has been updated on the basis of a current survey (census and impacts inventory) and land valuation study to ensure land compensation is on replacement cost basis. The LARPs finalized in consonance with the ADB's Safeguard Policy Statement (2009) requirements and endorsed by the government have been cleared by ADB and are already disclosed on the ADB and National Highway Authority websites. Commencement of civil works will not be allowed until the LARPs are fully implemented.</p>											
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B. Indigenous Peoples	Safeguard Category: <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI										
<p>1. Key impacts. None, as the project alignment crosses the country's mainstream socio-cultural region and indigenous peoples as defined in ADB's SPS (2009) are not identified in the project area.</p> <p>2. Strategy to address the impacts. None</p>											
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V. ADDRESSING OTHER SOCIAL RISKS											
A. Risks in the Labor Market											

1. Relevance of the project for the country's or region's or sector's labor market.

☐ unemployment ☐ underemployment ☐ retrenchment ☐ core labor standards

Risks in the labor market will be closely monitored since the United States (US) Department of State^h classifies Pakistan as a Tier 2 country and warns that it is a source, transit, and destination country for men, women, and children subjected to forced labor and sex trafficking, with a large percentage of trafficking occurring within the country. The US Department of Labor notes that in 2012, Pakistan made a "moderate advancement" in efforts to eliminate the worst forms of child labor,ⁱ including the launch of the Waseela-e-Taleem initiative under the ADB-supported Benazir Income Support Program. Unemployment or retrenchment is unlikely; rather, the project will create new employment opportunities, and the contractor (through contractual provisions) will be obligated to avoid child labor and other illicit labor practices.

2. Labor Market Impact. Jobs will be generated for local communities during construction and after project completion (e.g., service providers for vehicle repair, refueling, restaurants, and convenience stores in the rest area). During implementation, the construction supervision consultant will closely monitor the labor environment to ensure ADB's Core Labor Standards (2006) and the country's relevant laws are complied with and a healthy work environment is maintained.

B Affordability: No adverse impact on people's livelihoods is expected. The project road with regulated exit and entry points leads to enhanced highway safety and savings in transportation cost and travel time. A 5-meter wide track on each side of the motorway with underpasses will serve locals to access their farms and nearby villages along both sides of the project road. The project will also increase income-generating opportunities by creating jobs during construction and more economic opportunities along the road.

C. Communicable Diseases and Other Social Risks

1. Indicate the respective risks, if any, and rate the impact as high (H), medium (M), low (L), or not applicable (NA):

☐ Communicable diseases ☐ Human trafficking ☐ Others: None

2. Describe the related risks of the project on people in the project area.

The prevalence rate of HIV/AIDS in the country is 0.10% (2011) and considered relatively low, but potential risks of HIV/AIDS and other sexually transmitted infections are always a concern because the main reasons for prevalence are sexual transmissions and abuse of injections, practices that are neither publicly discussed nor regulated properly, particularly in rural areas.^j Further, during and after implementation, region-wide population movements across the project areas are expected and will increase the risk of human trafficking. Such risks will be mitigated by conducting awareness campaigns on HIV/AIDS, human trafficking, and other communicable diseases targeting workers and local populations during implementation. The contractors will be required to conduct these campaigns with supervision responsibility, and these requirements will be included in the civil works bidding documents and contracts.

VI. MONITORING AND EVALUATION

1. Targets and indicators: Land acquisition and resettlement activities are fully compliant with SPS (2009) requirements. The project will generate about 900 jobs for skilled and unskilled workers (about 800 construction jobs during civil works and about 100 jobs for locally engaged supervision consultants). Consultations on project concerns and awareness raising campaigns on HIV/AIDS and other related issues to be conducted regularly for construction workers and local populations.

2. Required human resources: The NHA will engage construction supervision and social safeguard management consultants. The project team will monitor and evaluate compliance with the LARP and any impact identified during and/or after the project. The supervision consultants will maintain a record of contractor's compliance with the core labor standards and awareness campaigns on HIV/AIDS and other civil works related social issues.

3. Information in project administration manual: The NHA will submit biannual social safeguard monitoring reports to ADB during the LARP and project implementation period to present social safeguards implementation progress, and inform social or resettlement issues of concern and required actions to ensure project implementation is compliant with the covenants and ADB's SPS (2009) provisions. Social monitoring reports will be disclosed on the NHA and ADB websites following the requirements of ADB's Public Communications Policy 2011.

4. Monitoring tools: Monitoring requirements are stipulated in the design and monitoring framework, project administration manual, and LARP.

^a Government of Pakistan, Ministry of Planning, Development and Reforms. 2014. *Pakistan 2025: One Nation, One Vision*. Islamabad.

^b Government of Pakistan, Ministry of Finance. 2009. *Poverty Reduction Strategy Paper (PRSP II)*. Islamabad.

^c ADB. 2015. *Country Partnership Strategy: Pakistan, 2015–2019*. Manila.

^d ADB. 2014. *Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and Pacific*. Manila.

^e Government of Pakistan. 2015. *Economic Survey of Pakistan 2013–2014*. http://www.finance.gov.pk/survey_1314.html

^f Sustainable Policy Development Institute. 2013. *Clustered Deprivation: District Profile of Poverty in Pakistan Report 2012*. Islamabad.

^g UNDP. 2015. *Human Development Report 2015 "Work for Human Development"*. New York.

^h ShirkatGah Women's Resource Centre. 2013. *Obstructing Progress: Growing Talibanisation and Poor Governance in Pakistan*. Lahore.

ⁱ US Department of State. 2013. *Trafficking in Persons Report 2013*. Washington, DC.

^j Ministry of Inter-Provincial Coordination. 2012. *Country Progress Report Pakistan – Global AIDS Response Progress Report 2012*. Islamabad.

Source: Asian Development Bank estimates.