

**SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY**

Country:	Pakistan	Project Title:	National Highway Network Development in Balochistan Project
Lending/Financing Modality:	Project Loan	Department/Division:	Central and West Asia Department Transport and Communication Division

**I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY**

Targeting classification: General intervention

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

The Government of Pakistan is updating its Poverty Reduction Strategy Paper (PRSP), so the PRSP-II, FY2009–FY2011 is still effective and provides a framework beyond the 3-year time frame.<sup>1</sup> The nine pillars of the PRSP-II include macroeconomic stability and real sector growth; protecting the poor and vulnerable; increasing productivity and value addition in agriculture; and removing infrastructure bottlenecks through public–private partnerships. The PRSP-II recognizes that economic growth and service delivery are crucial for poverty reduction. Infrastructure development, leading to regional connectivity, is critical as a catalyst for accelerated growth in regional trade—generating economic activities and employment along the project roads and beyond. These goals are in line with Strategy 2020 of the Asian Development Bank (ADB)<sup>2</sup> and the Pakistan country partnership strategy for 2009–2013, which stress the needs of inclusive growth, infrastructure development, and human capital development.<sup>3</sup>

**B. Results from the Poverty and Social Analysis during PPTA or Due Diligence**

**1. Key poverty and social issues.** The country’s national poverty rate is 33%, while the population below the extreme poverty line is 21% (2012).<sup>4</sup> Although the poverty rate has improved slightly, the country was ranked 146th out of 186 countries in the Human Development Index 2012. The main factors lowering the rank are levels of education and incomes. Balochistan is one of the poorest provinces in Pakistan. In addition to long-standing political instability, the poor condition of infrastructure inhibits the economic activity of people both within and outside the province. In Balochistan, the poverty rate in 2012 was estimated at 52%. A study undertaken by the United Nations Development Programme (UNDP) shows that the province’s overall progress toward the seven Millennium Development Goals (MDGs) is generally lower than the other provinces, particularly on MDG 2 (Achieving Universal Primary Education), 4 (Reducing child mortality) and 5 (Improving Material Health).<sup>5</sup> The study concludes that the main reasons for such underachievement include lack of access to social service facilities in rural areas, and women’s limited participation in local communities and awareness of those services.

**2. Beneficiaries.** The main direct beneficiaries are people living and working along and near the project roads, and those involved in trading agriculture products, locally produced minerals, and other goods such as bricks, stone, and other construction materials. Indirect beneficiaries include large sectors of the population who will gain from cheaper and more efficient availability of goods across the country; and from easier access to health, education, and social facilities. The road sections to be financed have severely deteriorated because of insufficient road maintenance and heavily loaded trucks—resulting in uncomfortable rides, lengthy travel times, and expensive freight costs.

**3. Impact channels.** By rehabilitating the road sections, the project is expected to contribute to (i) smoother travel on the improved surface; (ii) reduced travel and freight costs by reducing vehicle operating costs; and (iii) reduced road accidents by installing road safety facilities such as street lighting, crossings, speed limits, and pedestrianized areas. In addition, during construction works, the local population will benefit from short-time employment opportunities and opportunities to sell food and goods to construction workers. Through the community facilitation centers, local communities will be provided with new public market places for their agriculture/livestock products, and be able to interact more actively with traders inside/outside the province, which will increase their incomes.

**4. Design features.** The project aims to increase economic growth through enhancement of trade and traffic along the project roads. The project will benefit both local communities (through improved access to markets and social service facilities, and enhanced opportunities for community networking), and the population of the wider region through transportation of goods.

**II. PARTICIPATION AND EMPOWERING THE POOR**

1. Since project preparatory, 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 project roads have been consulted during project preparation to ensure project inclusiveness. During implementation, public consultations will be held regularly to provide updated project implementation status information and ensure that safeguard-related due diligence is fully conducted with their agreement. Considering the sociocultural sensitivities in the area, consultations will be held separately with men and women, and at times and places convenient to each.

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

- Information gathering and sharing  Consultation  Collaboration  Partnership

<sup>1</sup> Ministry of Finance. 2009. *Poverty Reduction Strategy Paper-II*. Islamabad.

<sup>2</sup> ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank, 2008–2020*. Manila.

<sup>3</sup> ADB. 2009. *Country Partnership Strategy: Pakistan, 2009–2013*. Manila.

<sup>4</sup> Sustainable Policy Development Institute. 2012. *Clustered Deprivation: District Profile of Poverty in Pakistan Report 2012*. Islamabad.

<sup>5</sup> UNDP, Pakistan and Government of Balochistan. 2011. *Balochistan Millennium Development Goals Report 2011*. Islamabad.



arrangement <input type="checkbox"/> Social impact matrix <input checked="" type="checkbox"/> No action	peoples planning framework <input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary
<b>V. ADDRESSING OTHER SOCIAL RISKS</b>	
<b>A. Risks in the Labor Market</b>	
1. Relevance of the project for the country's or region's or sector's labor market. <input type="checkbox"/> unemployment <input type="checkbox"/> underemployment <input type="checkbox"/> retrenchment <input type="checkbox"/> core labor standards The United States (US) Department of State 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. <sup>8</sup> The US Department of Labor notes that in 2012, Pakistan made "moderate advancement" in efforts to eliminate the worst forms of child labor, including the launch of the Waseela-e-Taleem initiative under the ADB-supported Benazir Income Support Program. <sup>9</sup> A forthcoming study by the United Nations (UN) Office on Drugs and Crime warns of a recent increase in Pakistani males being trafficked outside the country, mainly for forced labor. <sup>10</sup> As a preventive measure against human trafficking and smuggling during implementation, the contractor will be required to conduct awareness campaigns on these issues, with oversight by the construction supervision consultants, including documentation of their monitoring activities in progress reports.	
2. Labor market impact. Employment opportunities will be generated for local communities during construction and as service providers after project completion (e.g., vehicle repair, refueling, trade logistics facilities, restaurants, and convenience stores). These will increase along the project roads in the light of the anticipated increase in traffic. During implementation, the construction supervision consultant will closely monitor the labor environment and ensure that ADB-ILO's Core Labor Standards (2006) and the country's relevant laws and regulations are complied with to maintain healthy work environments at the site. <sup>11</sup>	
<b>B. Affordability</b> No adverse impact on people's livelihoods is expected. The project will reduce travel costs by improving road conditions, and will increase income-generation opportunities by generating employment during construction and improved economic opportunities along the road by building community facilitation centers to help market local goods.	
<b>C. Communicable Diseases and Other Social Risks</b>	
1. Indicate the respective risks, if any, and rate the impact as high (H), medium (M), low (L), or not applicable (NA): <input type="checkbox"/> Communicable diseases <input type="checkbox"/> Human trafficking <input type="checkbox"/> Others: None	
2. Describe the related risks of the project on people in project area. The prevalence rate of HIV/AIDS in the country is 0.10% (2011), which is considered relatively low. <sup>12</sup> However, potential risks of prevailing HIV/AIDS and other sexually transmitted infections are always a concern because the main reasons for prevalence are sexual transmissions and abuse of injections, which are not publicly well campaigned and well regulated in rural areas. <sup>13</sup> Further, during and after implementation, active region-wide population movements over the project areas are expected and will increase the risk of human trafficking. Such risks will be mitigated by conducting awareness campaigns targeting workers and local populations during implementation. The contractor will be required to conduct these campaigns and such requirement will be included in the civil works bid documents and contract.	
<b>VI. MONITORING AND EVALUATION</b>	
1. Targets and indicators: The project will generate about 1,600 construction jobs for works and about 200 jobs for locally engaged supervision consultants. HIV/AIDS awareness campaigns will be conducted regularly to local populations, together with public consultations.	
2. Required human resources: The NHA will engage a construction supervision consultant. The team will include at least (i) one international project performance monitoring specialist, supported by a national specialist, to monitor and evaluate compliance with the resettlement plan and any impact to be identified during and/or after the project; and (ii) a national gender specialist to conduct an in-depth gender analysis, including needs assessment, and summarize findings in a report.	
3. Information in the project administration manual: Social safeguard monitoring reports will be submitted by the NHA to ADB on a quarterly basis during implementation of the resettlement plan to present its progress and, once the plan is implemented, on a semiannual basis to inform of project impacts related to resettlement; the social safeguard monitoring reports will be disclosed on the websites of the NHA and ADB as required by ADB's Public Communication Policy (2011). The gender analysis report will be submitted by the NHA during the detailed design.	
4. Monitoring tools: Monitoring requirements are stipulated in the design and monitoring framework, project administration manual, loan agreement, and resettlement plan.	

<sup>8</sup> US Department of State. 2013. *Trafficking in Persons Report 2013*. Washington, DC.

<sup>9</sup> ADB. 2013. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to the Islamic Republic of Pakistan for the Social Protection Development Project*. Manila.

<sup>10</sup> UN Office on Drugs and Crimes. Forthcoming. *Human trafficking and migrant smuggling to and from Pakistan*. Vienna.

<sup>11</sup> ADB. 2006. *ADB-ILO Core Labor Standards Handbook*. Manila.

<sup>12</sup> UNDP. 2013. Infographic on Pakistan's MDGs Status for 2012. <http://www.undp.org/content/pakistan/en/home/library/mdg/infographic---pakistan-mdgs-status-2012/> (accessed on 3 February 2014).

<sup>13</sup> Ministry of Inter-Provincial Coordination. 2012. *Country Progress Report Pakistan—Global AIDS Response Progress Report 2012*. Islamabad.