## SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

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### I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

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

The proposed Asian Development Bank (ADB) assistance will contribute to Pakistan’s national goal of enhanced energy security. The program will be implemented over 5 years and will support the provincial governments of Khyber Pakhtunkhwa Province (KPP) and Punjab to achieve increased access to sustainable and more reliable electricity services, particularly for vulnerable communities in KPP and Punjab. This outcome will be achieved through four outputs: (i) installed renewable energy-based power plants, (ii) increased opportunity for women and girls to obtain energy services and benefits, (iii) enhanced institutional capacity to foster sustainability, and (iv) promoted public sector energy efficiency. The Integrated Energy Development Program is one of the central pillars of Pakistan’s Poverty Reduction Strategy–II, which underscores the importance of maximizing access to affordable and clean energy to all. Energy is one of the key focus areas of Pakistan’s Vision 2025, which aims to ensure uninterrupted access to affordable and clean energy for all sections of the population by 2025. The program’s objective will directly contribute to Pakistan’s Poverty Reduction Strategy–II and Vision 2025.

The proposed program is consistent with the ADB country partnership strategy, 2015–2019 for Pakistan. Provision of energy to remote and rural areas that are outside of the reach of the national grid is also aligned with the ADB’s Energy Policy 2009, which specifically defines the rural poor as one of its priority areas.

The program will mainly benefit the off-grid and poorly served grid-tied communities living in resource-poor and remote districts. Off-grid communities are typically isolated and comparatively disadvantaged, with lower socioeconomic indicators than the rest of the country. The program will promote inclusion of these isolated segments of the rural population. Access to electricity will increase economic activity, create more job opportunities, reduce the time poverty of both men and women, improve social services such as education and health, increase access to information and communication technology, and positively impact people’s overall socioeconomic well-being.

#### B. Results from the Poverty and Social Analysis during Assessments of the Program and its Systems

1. **Key poverty and social issues.** Classified as “General Intervention”, the program will indirectly contribute towards poverty reduction and economic growth. In KPP and Punjab energy poverty coincides with economic poverty, especially in rural areas. Pakistan has an overall electrification rate of 69%, but only 57% of the rural population has access to electricity. Electricity coverage further declines to 20% in some remote and rural districts in the provinces. Through installation of MHPs, the program will benefit off-grid communities in areas that are inaccessible due to the terrain and their geographic location. It is highly likely that those areas will not receive access to electricity from the national grid in the near future. The program provides solar energy connections for public services such as schools and primary health care centers, which are mainly availed by poor or low-income groups in the program areas.

2. **Beneficiaries.** According to the Multidimensional Poverty Index report, nearly 39% of Pakistanis live in multidimensional poverty, with disparities across regions and provinces. Among provinces, KPP has the second-highest multidimensional poverty at 49%, compared to Punjab with the lowest at 31%. According to the KPP’s Integrated Development Strategy, the percentage of people living below the poverty line in KPP is estimated to be 39%, much higher than the national average of 29.5%. In KPP, districts selected for connecting off-grid communities have the highest poverty incidence, with Kohistan at 96%; in Punjab, southern districts of Rajanpur, Layyah, and Muzzafargarh have a poverty incidence of over 60%. The primary beneficiaries of the program will be the people living in the KPP and Punjab provinces of Pakistan.

3. **Impact channels.** As detailed in para 1 of Section B.

4. **Other social and poverty issues.** In Pakistan poverty is multifaceted. Other key poverty and social issues include low literacy rates, inadequate social protection programs, lack of economic opportunities, inequalities in land distribution and ownership, and gender disparities. The “Benazir Income Support Program”, the country’s largest social protection program (also supported by ADB), has over four million women beneficiaries from the most marginalized and vulnerable segments of the population.

5. **Design features.** The relevant design features include (i) off-grid households (including poor and vulnerable groups) in the remote areas of KPP will be connected to MHPs; (ii) KPP, social mobilization and awareness-raising in the targeted communities will be conducted to ensure inclusion of poor and vulnerable, (iii) schools and primary
health care centers that are mostly accessed by the poor and low income groups will be connected to solar energy; and iv) assessment of social, poverty and gender impacts will be part of the post-program evaluation.

II. PARTICIPATION AND EMPOWERING THE POOR

1. Participatory approaches and proposed program activities. During the project preparatory process a social and gender specialist was hired to prepare a social, poverty and gender assessment (footnote g). Key informant interviews were held with the key officials of PEDO and EDP, and consultations were conducted with civil society organizations and communities in the selected areas. During program implementation, social mobilization and consultative processes will be undertaken to ensure vulnerable communities are included in program consultations.

2. Civil society organizations. The program will engage civil society organizations for social mobilization of the communities living in the off-grid areas of KPP.

4. Forms of civil society organization participation envisaged during program implementation

H Information gathering and sharing
H Consultation
H Collaboration
H Partnership

5. Participation plan. Yes No The proposed program will have minimum resettlement and social safeguard related impacts.

III. GENDER AND DEVELOPMENT

Gender mainstreaming category: Effective Gender Mainstreaming (EGM)

1. Key issues. Women are the primary users of electricity at the household level. Pakistan’s intermittent and inadequate access to energy reduces the efficiency of women in carrying out household tasks such as cleaning, cooking, and laundry, and reduces the productivity of home-based workers. Due to the geographic location and difficult terrain, the northern districts of KPP are isolated, with relatively low socioeconomic indicators compared to the rest of the province. The high incidence of poverty and lack of access to health and education further add to the vulnerabilities of women. KPP has the second-highest proportion of females with no schooling (63%), compared to 47% in Punjab. There are 13.1 million out-of-school children (aged 5–16 years) in Punjab, 52% of whom are girls; in KPP, there are 2.5 million out-of-school children (aged 5–16 years), 70% of whom are girls. In KPP around one-third of the schools lack water, half have no electricity, and close to one quarter have no boundary walls or latrines. In Punjab, 16,563 schools have been identified for possible assistance. Of these, 5,000 schools are completely off-grid, while the remaining 10,000 plus are poorly served by the grid, and average more than 10 hours of load shedding per day. Public primary health care services (PHCs), particularly in the rural areas, are largely availed by women and children. In KPP, of the 182 PHCs identified for solar electrification, 33% have no electricity, and 67% have load shedding of more than 10 hours per day (footnote g). In Punjab, PHCs have sources of electricity, but a majority are poorly served by the grid due to extended hours of load shedding, fluctuation, and voltage problems. With increased access to electricity, the well-being and socioeconomic condition of women and girls will be improved in the program areas, and they will have increased opportunities to participate in productive work. With extended evening working hours, women will be better able to engage in home-based income generating activities.

2. Key actions. The proposed RBL is classified as EGM, which requires gender indicators as part of the disbursement-linked indicators (DLIs) and gender actions incorporated in the program action plan (PAP). Gender indicators and actions are summarized as below: Gender actions Other actions or measures No action or measure

Gender actions include the following: (i) social and gender experts added to the Project Management Units (PMUs) of KPP and Punjab; (ii) training programs conducted for Pakhtunkhwa Energy Development Organization (PEDO) of KPP, and the Energy Department of Punjab (EDP) to develop and implement gender-inclusive programs and plans; (iii) consultations conducted with men’s and women’s groups in KPP to address their concerns during MHP site selection and program implementation; (iv) baseline data and information necessary for verification of gender indicators as mentioned in the DMF collected at the outset and completion of the project; (v) gender impacts assessed as part of the independent impact assessments and post-project evaluation studies; and (vi) gender indicators monitored through the program’s overall M&E framework. Gender indicators are part of the program’s result framework and DLIs, which will include: (i) girls’ schools account for at least 30% of the schools identified for solar connections in KPP and Punjab; and (ii) households headed by women account for at least 7% of those that benefit from MHPs.

IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

A. Involuntary Resettlement

1. Key impacts. Beneficiary communities will provide sites and labor for the MHPs proposed by the communities as part of their counterpart contributions. These sites are mostly communal lands plots, with their selection for the project negotiated between the community and individual households. Proposals with indigenous peoples impacts will not be considered in the program. In Punjab, the solar panels will be installed in the existing schools.

2. Strategy to address the impacts. The program will screen subprojects to exclude sites with involuntary resettlement impacts.
3. Actions

☒ Program safeguard systems improvements
☐ No action

B. Indigenous Peoples

Safeguard Category: ☐ A ☒ B ☐ C

1. Key impacts. The MHP subprojects may potentially benefit indigenous peoples communities in KPP by providing sustainable access to electricity. Proposals with adverse impacts on indigenous peoples will be excluded from the program. ☑ Yes ☒ No

2. Strategy to address the impacts. Subproject identification, preparation and implementation will take into account cultural nuances, community decision-making and processes to be facilitated by partner-nongovernment organizations.

3. Actions

☒ Program safeguard systems improvements
☐ No action

V. ADDRESSING OTHER SOCIAL RISKS

A. Risks in the Labor Market

1. Relevance of the program for the country’s or region’s or sector’s labor market. L☐ unemployment L☐ retrenchment L☐ core labor standards

2. Labor market impact. By increasing access to electricity, the program will positively impact the employment rate. Given the scope and nature of the program, risks related to core labor standards are minimal. However, monitoring systems and contractual agreements with the relevant firms and consultants will include compliance with core labor standards.

B. Affordability

During program preparation, a survey was conducted to assess affordability for the beneficiary communities. Based on the survey findings, mitigating actions will be undertaken during the program implementation.

C. Communicable Diseases and Other Social Risks

1. The impact of the following risks are rated high (H), medium (M), low (L), or not applicable (NA): ☐ Communicable diseases ☐ Human trafficking ☐ Others (please specify) ☐

2. Risks to people in program area. Not applicable

VI. MONITORING AND EVALUATION

1. Targets and indicators included in the DMF are (i) by 2021, at least 10% of target households newly connected to electricity are households headed by women; (ii) by 2021, 100% of identified energy and finance department staff of both provinces are trained on technical issues, gender, program management, financial management, contract management, and environmental and social management; (iii) consult with and mobilize communities for participation in MHP initiatives; and (iv) identify and prioritize girls schools in allocating solar plants.

2. Required human resources. Social and gender officers will be hired at the KPP and Punjab PIUs. Program implementation consultants will also include social safeguard, environment and gender experts.

3. Information in program implementation document. Baseline survey, impact assessment and other necessary due diligence will be undertaken during the program implementation.

4. Monitoring tools. Internal and external program monitoring reports, program periodic reports (quarterly and semi-annual progress reports).

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d Developed by Oxford Poverty and Human Development Initiative and the United Nations Development Programme’s Human Development Report Office, the multidimensional poverty index uses a broader concept of poverty than income and wealth alone. It captures severe deprivations that each person experiences with respect to education, health and standard of living.
g Social, Poverty and Gender Analysis. 2016. Gender assessment report prepared under ADB project preparatory TA (TA-9047) on Access to Clean Energy Investment Project.
k Source: Project preparatory technical assistance consultant’s reports.