

INITIAL POVERTY AND SOCIAL ANALYSIS

Country: Project Title:

Lending/Financing Modality: Department/Division:

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The project loan is aimed to improve the provincial road network in Sindh, the second largest population province in Pakistan. In Pakistan more than 40% of the population continues to live below the poverty line. The increase in poverty is mainly attributed to declining economic growth, persistence of severe macroeconomic imbalance, lack of social safety nets, and poor governance. In Sindh, about 53% of total population of 42.4 million live in rural area, where the incidence of poverty is high. Poor rural areas are characterized by poor income-earning opportunities; poor housing; inconsistent levels of agricultural products; inadequate road networks, water, sanitation and health facilities; and lower educational levels. Among the factors that have contributed to poverty are (i) highly unequal land ownership distribution; (ii) inability to provide adequate social services; (iii) rising agricultural input price, low productivity, and poor marketing and distribution facilities; and (iv) lack of adequate human capital development programs.

Sindh has 16 districts, including the city district of Karachi. Agriculture is the largest sector, accounting for over 25% of exports. Other exports are derived from cotton-based textile and agro processed goods. About 80% of rural population lives on less than PR3,000 per month. The rural areas are currently served by poorly maintained district roads and unpaved tracks, which link a number of villages. More than 50% of provincial road network are in fair to poor condition, and one third is in very poor condition.

The Government of Pakistan's Poverty Reduction Strategy PRSP-II (FY2008/09–FY2010/11), provides a framework beyond three years timeframe. The Poverty Reduction Strategy is built upon nine pillars: (i) macroeconomic stability and real sector growth; (ii) protecting the poor and the vulnerable; (iii) increasing productivity and value addition in agriculture; (iv) integrated energy development program; (v) making industry internationally competitive; (vi) human development for the 21st century; (vii) removing infrastructure bottlenecks through public private partnerships; (viii) capital and finance for development; and (ix) governance for a just and fair system. It recognizes that economic growth and service delivery are crucial for poverty reduction. Infrastructure development leading to better connectivity is critical for accelerated growth through better road service for large poor rural population.

Better provincial road service can reduce the cost of agricultural product, save their time to access to market, provide better service for health and education, and accelerate economic growth. The project itself can generate employment opportunities for local villagers. The Project is a support of the PRSP-II and in line with the country's partnership strategy (2009–2013), and with ADB's Sustainable Transport Initiative.

B. Targeting Classification

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

Explain why:

The Project will contribute to poverty reduction by reducing the cost of agricultural product, saving their time to access market, providing better service for health and education, and accelerating economic growth. The project itself can generate employment opportunities for local villagers in short term during construction.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

The Potential beneficiaries of the project are the local communities, especially business people and traders, local villagers in project areas, transport operators, and government agencies.

Key issues may include (i) road construction may have impacts on small business along the road; (ii) Environment Management Plan is not followed by contractor to result in environment impact; (iii) it may not be accepted if a special provision, that local labor force is encouraged to be recruited by contractor, is specified in special condition of contract.

2. Impact channels and expected systemic changes.

With the improvement of provincial road network, more poor population will benefit through better traffic condition, less transportation cost, less traffic accident, and reduced vehicle operation cost. The beneficiaries will have better access for social service, such as education and health.

3. Focus of (and resources allocated in) the PPTA or due diligence.

A project preparatory technical assistance (PPTA) of \$0.7 million is programmed. A team of international/national consultants comprising road maintenance management specialist, road safety specialist, environment specialist, social safeguard specialist, institutional strengthening specialist, procurement specialist, highway engineer, structure engineer, materials engineer, and pavement engineer will be recruited. ADB missions will also be fielded to conduct due-diligence.

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?

Employment opportunities for women will be encouraged and occur during construction. Improved and safer rural roads network will facilitate women's mobility and will enhance their access to better educational, health and economic opportunities. The PPTA Social Development Consultant will identify specific issues in project areas. The project may provide access for women to participate and obtain benefits during the project implementation phase including participating in the consultation meetings, and participation in livelihood improvement programs under the resettlement plan. The resettlement plans will ensure that there will be no disproportionate negative impacts on women.

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 Please explain.

The proposed project will improve the access for women to business and social service.

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

Yes No Please explain

No such issue identified, however PPTA Consultants will assess and propose mitigation measure for any adverse impact during Socio-economic analysis and LARP preparation.

4. Indicate the intended gender mainstreaming category:

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

III. PARTICIPATION AND EMPOWERMENT

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 main stakeholders of the project include local government, farmers, trading companies, transport companies, local business, and local residents. All these stakeholders will participate the community meetings and consultation during project design and implementation.

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?

It is envisioned that during the PPTA stage, the consultation and participation process will involve a stakeholder analysis followed by subsequent consultations with various groups. It is planned to conduct community meetings and consultations with local government, Non Government Organizations, transport related societies. A series of focus group discussions and consultation will be undertaken with all stakeholders as part of poverty assessment, the socio-economic analysis and preparation of resettlement planning documents.

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?

PPTA Consultants (Social Development Specialist) will identify all key stakeholders for consultations, information sharing and ensuring community needs and suggestions are incorporated during project implementation.

Information generation and sharing Consultation Collaboration Partnership

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? Yes No

IV. SOCIAL SAFEGUARDS

A. Involuntary Resettlement Category A B C FI

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? Yes No

The envisaged development activities on selected project sections will be implemented within the existing right of way and there is no land acquisition to be envisaged. However it is apprehended that minor land acquisition and resettlement issues may pop up during design phase in order to improve safety and eliminate potential hazardous. The project is categorized as B and adequate input of Social Development Consultants is proposed in PPTA. The PPTA Team will make detailed poverty and social assessment, identification of negative impacts on land and non-land assets, assessment and valuation of lost assets based on design of selected subprojects, and prepare resettlement plan in consultation with the stakeholders and displaced persons.

2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?

Resettlement plan Resettlement framework Social impact matrix
 Environmental and social management system arrangement None

B. Indigenous Peoples Category A B C FI

1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? Yes No

The project will improve the access for local population to market, social service, and business, thus no potential affect.

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? Yes No

3. Will the project require broad community support of affected indigenous communities? Yes No

4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?

Indigenous peoples plan Indigenous peoples planning framework Social Impact matrix
 Environmental and social management system arrangement None

V. OTHER SOCIAL ISSUES AND RISKS

1. What other social issues and risks should be considered in the project design?

Creating decent jobs and employment (L) Adhering to core labor standards (L) Labor retrenchment
 Spread of communicable diseases, including HIV/AIDS (L) Increase in human trafficking Affordability
 Increase in unplanned migration Increase in vulnerability to natural disasters Creating political instability
 Creating internal social conflicts (L) Others, please specify _____

2. How are these additional social issues and risks going to be addressed in the project design?

The requirement to comply with core labor standards will be included in the loan covenants/work contracts. Contingent on the findings of social assessment, the requirement for preference for local labor will be included in work contract. Provisions on awareness building on HIV/AIDS and STIs will be included in the contracts.

VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT

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 (v) other social risks. Are the relevant specialists identified?

Yes 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? Consultants