



Initial Poverty and Social Assessment

Project Number: 43903
August 2010

PAK: Uch II Power Project

An initial poverty and social assessment (IPSA) is prepared in the early stage of the project cycle to assess the significance of social issues for a project. In accordance with ADB's public communications policy (PCP, 2005), the IPSA is disclosed upon completion. The final summary social assessment is included as an appendix to the project's report and recommendation of the President.

Asian Development Bank

INITIAL POVERTY AND SOCIAL ANALYSIS

Country/Project Title: **PAK: Uch II Power Project**

Lending/Financing Modality:	Direct Loan	Department/Division:	PSOD/PSIF1
I. POVERTY ISSUES			
A. Linkages to the National Poverty Reduction Strategy and Country Partnership Strategy			
<p>1. Based on the country poverty assessment, the country partnership strategy and the sector analysis describe how the project would directly or indirectly contribute to poverty reduction and how it is linked to the poverty reduction strategy of the partner country.</p> <p>One of the core focal areas under the Pakistan Country Partnership Strategy is easing of serious infrastructure constraints in the energy sector for sustainable economic growth. The Project has the very distinct advantage of having its own long-term captive gas resource. The Project enjoys low transport costs due to its close vicinity to the gas field. It is anticipated that the Project will provide base load electricity with 100% dispatch. Given the above, the Project can directly and indirectly contribute to poverty reduction by providing cost efficient and reliable power source to support various economic development activities in the country.</p>			
B. Targeting Classification			
<p>1. Select the targeting classification of the project: <input checked="" type="checkbox"/> General Intervention <input type="checkbox"/> Individual or Household (TI-H); <input type="checkbox"/> Geographic (TI-G); <input type="checkbox"/> Non-Income MDGs (TI-M1, M2, etc.)</p>			
<p>2. Explain the basis for the targeting classification: The Project will directly and indirectly contribute to poverty reduction by supporting economic development of Pakistan through development in its energy sector. By providing the needed power to support economic growth, reliable electricity supply will contribute towards improvement of transportation, communication, education, and health services as well as encourage the establishment of livelihood enterprises and increase development opportunities.</p>			
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? <i>N/A</i>			
2. What resources are allocated in the PPTA/due diligence? <i>N/A</i>			
<p>3. If GI, is there any opportunity for pro-poor design (e.g., social inclusion subcomponents, cross subsidy, pro-poor governance, and pro-poor growth)?</p> <p>The borrower is expected to undertake various social development activities through its corporate social responsibility (CSR) programs. These programs engage the local community in the vicinity of the project site.</p>			
II. SOCIAL DEVELOPMENT ISSUES			
A. Initial Social Analysis			
<p>Based on existing information:</p> <p>1. Who are the potential primary beneficiaries of the project? How do the poor and the socially excluded benefit from the project?</p> <p>During construction, the Project will require construction workers from nearby communities, thereby augmenting existing household incomes. This will in turn lead to the creation of small enterprises to service the workforce. During operation, the presence of power plant personnel and contractors will increase local demand for food and services, thus benefiting local businesses.</p> <p>2. What are the potential needs of beneficiaries in relation to the proposed project?</p> <p>The company's intends to execute CSR programs that will engage the local communities on various social development activities mainly in health & education sectors. On local labor, the rights of the workers will be ensured by compliance of contractors to the national labor laws and regulations.</p> <p>3. What are the potential constraints in accessing the proposed benefits and services, and how will the project address them?</p> <p>There are no foreseen constraints in accessing the company's CSR programs.</p>			
B. Consultation and Participation			
<p>1. Indicate the potential initial stakeholders.</p> <p>Potential initial stakeholders include national and local governments, communities within the vicinity of the project site, development partners, and the private sector.</p>			

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.)? Public consultations have been conducted during the environmental assessment process. In addition, engagement of the local community is an on-going activity through CSR.			
3. What level of participation is envisaged for project design? <input checked="" type="checkbox"/> Information sharing <input checked="" type="checkbox"/> Consultation <input type="checkbox"/> Collaborative decision making <input type="checkbox"/> Empowerment ⁷			
4. Will a C&P plan be prepared? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please explain. C&P activities will be discussed and implemented as appropriate.			
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? The Project is not expected to cause any specific cultural or social impact on or exclude any socioeconomic group, including women, from benefiting from the Project.			
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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please explain. The nearby communities will have equal access to any assistance that will be extended by the Project while keeping in view their culture and sensitivities. Uch Power (Pvt.) Limited (UPL) has already funded the construction and provides operational support for three co-education primary schools in Dear Murad Jamali (DMJ) which only employs females as a teaching staff.			
3. Could the proposed project have an adverse impact on women and/or girls or to widen gender inequality? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please explain Adverse impact on women and/or girls or to widen gender inequality is not expected.			
III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS¹¹			
Issue	Nature of Social Issue	Significant/Limited/ No Impact/Not Known¹²	Plan or Other Action Required¹³
Involuntary Resettlement	No IR impact is expected from the project.	No impact	<input type="checkbox"/> Full Plan <input type="checkbox"/> Short Plan <input type="checkbox"/> Resettlement Framework <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Indigenous Peoples	No impact on IP is expected from the project.	No impact	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action ¹⁶ <input type="checkbox"/> Indigenous Peoples Framework <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Labor <input checked="" type="checkbox"/> Employment Opportunities <input type="checkbox"/> Labor Retrenchment <input type="checkbox"/> Core Labor Standards	During construction and operation, there will be employment opportunities to qualified local population.	No adverse impact	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action ¹⁸ <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Affordability	The competitive cost of electricity generation will improve the overall affordability of electricity of the country.	N/A	<input type="checkbox"/> Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Other Risks and/or Vulnerabilities <input type="checkbox"/> HIV/AIDS <input type="checkbox"/> Human Trafficking <input type="checkbox"/> Others	None.	No impact.	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
IV. PPTA/DUE DILIGENCE RESOURCE REQUIREMENT			
1. Do the TOR for the PPTA (or other due diligence) include poverty, social and gender analysis and the relevant specialist/s? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please explain why.			