

## SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country/Project Title:	Pakistan/Flood Emergency Reconstruction Project		
Lending/Financing Modality:	Emergency Loan and Technical Assistance	Department/ Division:	Central and West Asia Regional Department

### I. POVERTY ISSUES

#### A. Linkages to the National Poverty Reduction Strategy and Country Partnership Strategy

The Pakistan Poverty Reduction Strategy Paper,<sup>a</sup> the Medium-Term Development Framework, 2005–2010,<sup>b</sup> and Vision 2030<sup>c</sup> emphasize that vulnerable population are likely to fall into poverty as a result of natural calamities and disasters and stress the need for investing in infrastructure, livelihoods, and social services to prevent increases in poverty and slowdowns in job creation, competitiveness improvement, and economic growth. The Flood Emergency Reconstruction Project (FERP) will restore critical links along national highways, provincial roads, and irrigation systems in the worst-affected areas of the country, contributing to sustainable and inclusive economic growth. The National Management Strategy, 2010–2015<sup>d</sup> also emphasizes the rapid reconstruction of infrastructure and restoration of livelihoods for flood victims through fast-track project approval and cash-transfer programs. The emergency program designed by the government aligns with ADB's Disaster and Emergency Assistance Policy 2004<sup>e</sup> and the 2010 disaster and needs assessment (DNA), as it includes (i) emergency prevention and post-conflict reconstruction; (ii) mainstreaming disaster management in the development process; (iii) synergies among development and specialized relief organizations; (iv) the efficient and effective use of resources to better support pre- and post-disaster activities; and (v) improving organizational arrangements within ADB to plan, implement, and communicate effectively on disaster and emergency-related assistance. Sectors selected for the emergency assistance are consistent with the priority areas of ADB's country partnership strategy 2009–2013<sup>f</sup> and will directly contribute to achieving its goal of sustainable and inclusive growth in Pakistan. The restoration of transport and irrigation facilities will positively affect the welfare of people and businesses.

#### B. Poverty Analysis

**Target Classification:** General Intervention (GI)

**Key Issues:** The United Nations Human Development Report (2009)<sup>g</sup> ranks Pakistan 141 out of 182 countries on the Human Development Index, and 101 out of 135 countries on the Human Poverty Index.<sup>h</sup> Pakistan has a population of 180 million, making it the world's sixth most-populous country. A third of the population lives below the poverty line. An estimated 20 million people are affected by the floods in 80 districts, with possibly 10 million left homeless, almost 1.5 million houses damaged, and one-fifth of the country under water. Severe damage to private assets, essential infrastructure such as road networks and irrigation and water systems, and social infrastructure paralyzed the country. Sixty percent of the affected population lost livelihoods because of damage to agriculture, livestock, and small businesses.<sup>i</sup> A comprehensive assessment of the economic, social, and infrastructure impact of the disaster has been undertaken as part of the DNA completed in October 2010. Of most concern with regard to economic performance is the damage to infrastructure, irrigation, and agriculture, as 16% of cultivable land was damaged by the flood. Agriculture is the mainstay of the economy and cotton is the main raw material for the textile sector, which accounts for 55%–60% of exports. With higher transportation costs and food shortages, inflation, and lost livelihoods, an increase of extreme poverty is expected, increasingly marginalizing the vulnerable and poor, as well as lower health care, education, and living standards.

#### Design Features

FERP will benefit flood-affected people in one of the most severely damaged province of Pakistan: Sindh. Restoring physical infrastructure such as roads and irrigation systems will facilitate economic recovery in the provinces. Rehabilitating and restoring irrigation structures, including barrages, canals, civil channels, and flood-protection embankments, will provide irrigation water in the short term and, in the longer term, protection against future flooding. The project design is flexible and builds on synergies with other development partners, especially those involved in restoring social infrastructure such as schools for boys and girls. The reconstruction of infrastructure will create many jobs for workers in the construction industry and interim income opportunities for flood victims who lost their livelihoods until agriculture and livestock rearing can be fully resumed.

<sup>a</sup>Government of Pakistan. Ministry of Finance. 2003. *Accelerating Economic Growth and Reducing Poverty: The Road Ahead, Poverty Reduction Strategy Paper*. Islamabad.

<sup>b</sup>Government of Pakistan, Planning Commission. 2004. *Medium-Term Development Framework 2005–2010*. Islamabad.

<sup>c</sup>Government of Pakistan, Water and Power Development Authority. 2005. *Vision 2030*. Islamabad.

<sup>d</sup>Government of Pakistan. Planning Commission. 2009. *National Management Strategy 2010–2015*. Islamabad.

<sup>e</sup>ADB. 2004. *Disaster and Emergency Assistance Policy*. Manila.

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

<sup>g</sup>United Nations. 2009. *Human Development Report 2009*. Geneva.

<sup>h</sup>United Nations. 2009. *Human Development Report*. Geneva.

<sup>i</sup>United Nations. 2010. *Multi-Cluster Rapid Humanitarian Needs Assessment (McRAM)* (DRAFT). Islamabad.

## II. SOCIAL ANALYSIS AND STRATEGY

### A. Initial Social Analysis

**Key Issues.** A detailed social analysis has been prepared as part of the DNA. A conservative estimate suggests that 20 million people were affected, of whom 1.9 million, or 66%, were severely affected.<sup>j</sup> United Nations experts have identified 2.7 million people in Khyber Pakhtunkhwa, 5.3 million in Punjab, and over 6 million in Sindh as having been badly affected. According to the National Disaster Management Authority,<sup>k</sup> a total 5,928 camps housed 3 million affected people. At present, 115 camps still house 123,008 people, as 96% of the victims have returned to their homes.

The destruction of livelihoods, especially among the poor, has caused massive migration to urban centers with many negative consequences. Unless jobs become available and minimum subsistence can be ensured, poverty will increase to unprecedented levels. According to estimates under the DNA, 12% of road networks were severely damaged by the floods. The bulk of the damage was in Sindh and Khyber Pakhtunkhwa, affecting 20% of provincial and district roads. The most extensive damage occurred to irrigation infrastructure particularly in Sindh and Khyber Pakhtunkhwa. In Pakistan, almost 90% of crops are grown under irrigation. Rural livelihoods depend largely upon irrigated agriculture and livestock. The crime rate has increased since the floods, notably in Sindh. The impact of the disaster can thus worsen social fragility. Health and nutrition issues were also aggravated after the flood. A survey conducted by the United Nations Children's Fund revealed a grave nutritional crisis. The survey found a global acute malnutrition rate of 23.1% in children aged 6–59 months in flood-affected areas of northern Sindh and of 21.2% in southern Sindh. These rates are above the World Health Organization's 15% emergency threshold.

FERP will help government agencies restore highly critical road links in Sindh, including national and provincial highways and bridges. This will reconnect rural communities to markets and basic social services such as health and education. FERP has the potential to create jobs for workers in reconstruction. Technical experts will be hired to ensure that social and gender dimensions are considered in project design and implementation and align with the social safeguard, pro-poor, gender, and environment policies of ADB.

### B. Consultation and Participation

The preliminary DNA was undertaken from August to September 2010. Qualitative data was gathered through stakeholder analysis including focus group discussions, key informant interviews, and consultations with the civil society and the government.

For FERP preparation, formal consultations were held with government agencies, development partners, and the main stakeholders at the provincial and federal level.

What level of participation is envisaged for project design?

☒ Information sharing    ☒ Consultation    ☐ Collaborative decision making    ☐ Empowerment

Will a C&P plan be prepared? ☐ Yes    ☐ No    Please explain.

There is no consultation and participation plan yet.

### C. Gender and Development

**Key Issues.** Gender inequality is evident in Pakistan, which has a Gender Development Index rank of 124 out of 155 countries and a gender gap rank of 132 out of 134 Asian countries.<sup>l</sup> The share of women and men working in the formal economy is 27.6 and 26.6%, respectively.<sup>m</sup> Maternal mortality is estimated at 276 per 100,000 live births in 2006/07,<sup>n</sup> with a higher ratio in rural areas. The rapid gender assessment<sup>o</sup> showed that pre-existing gender inequality in Pakistan has widened since the flood. UNIFEM has observed that women may become invisible in the compensation process, as their economic contribution is usually invisible. Land rights are challenging for poor men and even more challenging for women who are usually denied inheritance and property rights. The floods destroyed women's limited assets, home-based production, and subsistence farming; worsened their personal security; and changed their responsibilities as their workload doubled as basic amenities disappeared. The damage to water systems in communities means longer journeys to fetch water, which takes more time and makes women more vulnerable to physical harm. At present, there are few, if any, women-specific livelihood programs initiated for flood-affected areas. The Government of Pakistan has initiated cash-grant flood-related compensation for each family, but only heads of households are registered and not each individual family member. Women are again deprived of access and control over income and resources, as more than 90% of households are headed by men.<sup>p</sup> The disaster could create opportunities to reinforce the implementation of the national gender action framework and increase women's access to services, assets, income-generating opportunities, and decision making. Project design and implementation will ensure that women can raise their concerns and participate in reconstruction. Jobs will be created. The design of irrigation canals will take the needs of women into account. Especially in Sindh, women are responsible for watering livestock. This is often done—against the recommendation of the government—in irrigation canals, which are consequently

<sup>j</sup> ADB & World Bank. 2010. *Pakistan Floods 2010 Preliminary Damage and Needs Assessment*. Islamabad.

<sup>k</sup> Chairman National Disaster Management Authority. 2011. One Pakistan News. Islamabad

<sup>l</sup> Social Policy and Development Centre (SPDC). 2009. *Social Development in Pakistan, annual review Women at Work 2007-08*. Karachi

<sup>m</sup> Government of Pakistan. 2010. *Pakistan economic survey, 2009-2010*. Islamabad

<sup>n</sup> Government of Pakistan. 2009. *Pakistan Demographic and Health Survey 2006-2007*. Islamabad

<sup>o</sup> United Nations. 2010. *Pakistan Flood 2010 Preliminary rapid Gender assessment of Pakistan Flood's crisis*. Islamabad

<sup>p</sup> Federal Bureau of Pakistan. 2009. *Compendium on Gender Statistics in Pakistan*. Islamabad

damaged. To allow women to use irrigation water for livestock watering and thus shorten the time they spent finding water for livestock, especially during drought, special design features will be included in the irrigation rehabilitation component.

**Key Actions.** As the FERP adopts a sector approach, the following principles will be adopted when designing and implementing each contract package:

- (i) Affirmative action for women's employment with up to 10% target to be enforced.
- (ii) Grievance mechanisms for FERP interventions will be gender sensitive and cater to women's needs.
- (iii) A gender specialist will be recruited under technical assistance and placed in the Pakistan Resident Mission, adding to the skills base already there.
- (iv) Income-generating opportunities for women will be designed into the subprojects for further financing.
- (v) Women's concerns and priorities will be identified and addressed in a separate gender action framework of 15% of subprojects.

☒ Gender plan    ☐ Other actions or measures    ☐ No action or measure

A Gender Action Framework has been prepared that outlines the strategy for gender mainstreaming in the program.

### III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS

Issue	Nature of Social Issue	Significant/Limited/ No Impact/Not Known	Plan or Other Action Required
<b><u>Involuntary Resettlement</u></b>	Land acquisition and resettlement in three national highway subprojects; no further impacts expected in other sectors and subprojects.	Significant in one subproject	<input type="checkbox"/> Full Plan <input type="checkbox"/> Short Plan <input checked="" type="checkbox"/> Resettlement Framework <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain
<b><u>Indigenous Peoples</u></b>	Not applicable	No impacts expected.	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input checked="" type="checkbox"/> Land Acquisition and Resettlement Framework <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain
<b>Labor</b> <input type="checkbox"/> Employment Opportunities <input type="checkbox"/> Labor Retrenchment <input type="checkbox"/> Core Labor Standards			<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain
<b>Affordability</b>	Not applicable	None	<input type="checkbox"/> Action <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain
<b>Other Risks and/or Vulnerabilities</b> <input type="checkbox"/> HIV/AIDS <input type="checkbox"/> Human Trafficking <input type="checkbox"/> Others (conflict, political instability, etc.), please specify	None	None	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input 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?  
☐ Yes    ☒ No    If no, please explain why.

In the case of emergency loans, there is no project preparatory technical assistance.

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?    ☐ Yes    ☒ No    If no, please explain why.

An extensive Damage Need Assessment has already been carried out in August-September 2010 through consultation and participation of relevant stakeholders.