

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Islamic Republic of Afghanistan	Project Title:	Road Asset Management
Lending/Financing Modality:	Project Grant and Technical Assistance Grant	Department/Division:	Central and West Asia Department/Transport and Communications Division

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

Consistent with the Afghanistan National Development Strategy (ANDS)<sup>1</sup> and the associated Prioritization and Implementation Plan (PIP),<sup>2</sup> wherein the government has accorded the highest priority to developing transport infrastructure. The project is also consistent with the Asian Development Bank (ADB) Interim Country Partnership Strategy (2014–2015), which aims to enhance pro-poor economic growth through transport infrastructure development. The ADB Country Operations Business Plan (COBP) for 2016–2018 supports inclusive growth by focusing on infrastructure investments that will lead to higher economic growth, connecting poor people to markets, and increasing access of poor people to basic productive assets and social services.

Since 2002, nearly 8,000 km of roads in Afghanistan have been constructed or rehabilitated. With the attention of the government and development partners focused on reconstruction, sustainability of past investments has in the meantime resurfaced as the sector's major issue. According to the ADB's 2014 Strategic Roadmap for Development Partner Support to operation and maintenance (O&M) of Afghanistan Roads, 85% of the road network is in poor condition and only 50% is in serviceable condition year round. The capital erosion due to lack of maintenance amounted to \$3.6 billion or 43% of the asset value of \$8.3 billion in 2011.

#### B. Poverty Targeting

General Intervention  Individual or Household (TI-H)  Geographic (TI-G)  Non-Income MDGs (TI-M1, M2, etc.)  
 The proposed project will (i) fill the maintenance gap for two major highways (Kabul-Jalalabad and Kabul-Kandahar); (ii) develop capacity of the Ministry of Public Works (MPW) in roads O&M; and (iii) develop a road asset management (RAM) system for MPW. It is expected that successful implementation of the Project will attract funds from donors to support future roads O&M through the Afghanistan Infrastructure Trust Fund (AITF) managed by ADB.

#### C. Poverty and Social Analysis

##### 1. Key issues and potential beneficiaries.

Growth remained slow in Afghanistan in 2015 as deteriorating security and continuing political uncertainty sapped consumer and investor confidence. Growth in the gross domestic product (GDP) is provisionally estimated to have accelerated marginally to 1.5% from 1.3% in 2014<sup>3</sup>. On the supply side, agricultural output is estimated to have fallen by 2.0% with less favorable weather, but production has remained relatively high since the record-breaking harvest in 2012. Growth in services picked up slightly to 2.8% on marginally higher demand, while expansion in industry slipped to 1.4% as investment dropped markedly and consumers spent less on manufactured goods. With the investment falloff, private and government consumption now appear to account for 85% of GDP.

Despite the previous decade of significant influx of foreign aid and associated growth rates, the socio-economic situation remains fragile with 36% of the population living under the national poverty line.<sup>4</sup> Infant mortality and maternal mortality rates also remain among the highest in the world.<sup>5</sup>

Reconstruction and rehabilitation of the nation's network of transport infrastructure remains incomplete with key internal and cross border links in poor condition. Yet even rehabilitated roads are quickly deteriorating due to heavy traffic, damage related to the ongoing poor security situation, and an extreme climate. The RAM system will provide MPW with more accurate information on the real-time condition of roads and structures, enabling insufficient O&M resources to be targeted in the most efficient manner. Direct poverty impacts of the investment are income generation opportunities from wages accruing through demand for unskilled labor during road maintenance works. Other benefits include lower travel times and reduced vehicle operating costs, which will result in higher product profit margins. More efficient links to markets will support development of industries to transform the nation's natural resources into jobs and income.

##### 2. Impact channels and expected systemic changes.

The economic development conditions for the population, especially the poor, will be improved by (a) having better, more reliable access to affordable services; (b) having better opportunities to raise their income and improve their sustainable employment through regional trade; and (c) being better protected against social, political, and economic related risks.

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

N/A there will be no PPTA. Due diligence is described in paragraph 12 of the main text.

<b>II. GENDER AND DEVELOPMENT</b>
<p>1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program?            Afghanistan has a Gender Development Index value of 0.712, ranking it 147 out of 148 countries in 2012. This means it is the second worst place in the world to be a woman. While the situation of women has improved a great deal in Kabul, evident by many more women on the streets and involved in civil and economic spheres, in the provinces and remote villages, traditional gender roles remain very rigid, with women's work being largely in the reproductive sphere (time-consuming unpaid work within the house compound), and men's in the productive and community management spheres. Although some Afghan women undertake productive work outside the household compound, it is not overly common (the female labor force participation rate is just 16%). Women working outside tend to do so in a group such as for planting and harvesting crops or collecting fuel and water. Men and boys generally undertake outside household activities, such as shopping for food, selling of agricultural products etc. If a woman needs to travel far from the house, it is still necessary for her to take a male relative as chaperone (<i>maharram</i>). Presently inter-city transport such as travel on the targeted O&amp;M highways, is heavily male dominated, as is the employment in the transport sector. There is little scope to impact this with the subject project.</p> <p>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?  <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please explain.            The project concerns O&amp;M of existing roads and a RAM system, areas without clear entry points for gender designs.</p> <p>3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?  <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please explain            No negative impact on women is envisaged.</p> <p>4. Indicate the intended gender mainstreaming category:  <input type="checkbox"/> GEN (gender equity) <input type="checkbox"/> EGM (effective gender mainstreaming) <input type="checkbox"/> SGE (some gender elements) <input checked="" type="checkbox"/> NGE (no gender elements)</p>
<b>III. PARTICIPATION AND EMPOWERMENT</b>
<p>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 central government is primary stakeholder, together with MPW, although anyone involved in the supply of goods, logistics, and transport services in Afghanistan is a stakeholder.</p> <p>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?            The project does not require this type of engagement.</p> <p>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? This project will not involve CSOs.  <input type="checkbox"/> Information generation and sharing (n/a) <input type="checkbox"/> Consultation (n/a) <input type="checkbox"/> Collaboration <input type="checkbox"/> Partnership</p> <p>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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No            Aside for O&amp;M works, which for security reasons are best kept unpublicized, the project is largely internal (capacity building and systems of the MPW). There is no targeting of poor or excluded groups.</p>
<b>IV. SOCIAL SAFEGUARDS</b>
<p><b>A. Involuntary Resettlement Category</b> <input type="checkbox"/>A <input type="checkbox"/>B <input checked="" type="checkbox"/>C <input type="checkbox"/>FI</p> <p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No O&amp;M works will be carried out on existing roads.</p> <p>2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?  <input type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix  <input checked="" type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None</p>
<p><b>B. Indigenous Peoples Category</b> <input type="checkbox"/>A <input type="checkbox"/>B <input checked="" type="checkbox"/>C <input type="checkbox"/>FI</p> <p>1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

<p>4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?</p> <p><input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Social Impact matrix  <input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> None</p>
<p><b>V. OTHER SOCIAL ISSUES AND RISKS</b></p>
<p>1. What other social issues and risks should be considered in the project design?</p> <p><input checked="" type="checkbox"/> Creating decent jobs and employment (L) <input checked="" type="checkbox"/> Adhering to core labor standards (L) <input type="checkbox"/> Labor retrenchment  <input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS (M) <input type="checkbox"/> Increase in human trafficking (M) <input type="checkbox"/> Affordability  <input type="checkbox"/> Increase in unplanned migration <input type="checkbox"/> Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability  <input type="checkbox"/> Creating internal social conflicts <input type="checkbox"/> Others, please specify _____</p> <p>2. How are these additional social issues and risks going to be addressed in the project design? Project documents will include the usual covenants for core labor standards including child and forced labor. Few jobs are expected to be created for O&amp;M works.</p>
<p><b>VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT</b></p>
<p>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?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No N/A no PPTA.</p> <p>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? N/A.</p>

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<sup>1</sup> Islamic Republic of Afghanistan (2008). *Transport and Civil Aviation Strategy 1387–1391 (2007/08–2012/13), Pillar III, Infrastructure, Afghanistan National Development Strategy*. Kabul.

<sup>2</sup> Islamic Republic of Afghanistan (2010). *Afghanistan National Development Strategy, Prioritization and Implementation Plan, Mid 2010–Mid 2013, Volumes I & II*. Kabul.

<sup>3</sup> ADB, *Asian Development Outlook 2016*, sourced from <http://www.adb.org/countries/afghanistan/economy> accessed on 8 April 2016

<sup>4</sup> The overall poverty line is the sum of the food poverty line and the non-food allowance. A household is defined as poor if the total value of per capita consumption is less than the poverty line. <http://data.worldbank.org/country/afghanistan>.

<sup>5</sup> In 2013, maternal mortality rate was estimated at 400 per 100,000 live births, while infant mortality rate was estimated at 70 per 1,000 live births. <http://data.worldbank.org/indicator/>.