



## Initial Poverty and Social Analysis

---

Project Number: 51036-002  
May 2020

### PAK: Khyber Pakhtunkhwa Cities Improvement Project

This document is being disclosed to the public in accordance with ADB's Access to Information Policy

Asian Development Bank

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Pakistan	Project Title:	Khyber Pakhtunkhwa Cities Improvement Project
Lending/Financing Modality:	Stand-alone project	Department/ Division:	Central and West Asia Department (CWRD)/ Urban Development and Water Division (CWUW)

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The Khyber Pakhtunkhwa Cities Improvement Project is consistent with National Water Strategy, Pakistan's Vision 2025 and Local Government Act, which are the key frameworks for urban development in Khyber Pakhtunkhwa province Pakistan. The Vision 2025 envisages urban and rural infrastructure as engines of growth with safe water and sanitation as a prerequisite for human development. The Vision 2025 also underscores the role of cities as centers of economic activity and knowledge. The project is aligned with ADB's country operations business plan (2020–2022) which emphasizes (i) pivotal interventions in cities to improve basic services (ii) promotes economic and social inclusion of the poor; and (iii) addresses the income and non-income dimensions of poverty and social exclusion. The project will benefit poor and vulnerable groups. Women, who are the primary users of municipal services, will benefit by time saved in accessing water, and through improved hygiene and sanitary environments.

#### B. Poverty Targeting

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

Urban poverty in Khyber Pakhtunkhwa province is estimated at 32%. The proposed project will support progress towards achieving SDG targets for drinking water and sanitation as well as ADB's Strategy 2030 priorities in livable cities, climate change, and gender inclusion. The ongoing Project Readiness Financing will further review the details of the poverty targeting and ensure they are addressed in the project design.

#### C. Poverty and Social Analysis

**1. Key issues and potential beneficiaries.** The project will directly benefit approximately 3.0 million residents of the target Khyber Pakhtunkhwa cities including the poor, vulnerable, and non-poor population.

Population growth puts Khyber Pakhtunkhwa cities under increasing stress. Urban environments and service delivery are exceedingly poor, and have degraded over the past decade. Urban infrastructure and services have not kept pace with growth. Tapped water supply is low quality and intermittently available to only 45% of the urban population. Sewage collected from about 85% of urban population flows in open drains throughout the residential districts and is discharged, untreated, to agricultural and natural bodies of water. Municipal waste collection systems cover only 30% of urban households and do not have effective and safe disposal facilities. Poor quality public transport and weak traffic management leaves urban mobility constrained and chaotic. The project will address these issues through the provision of improved water supply, sewage and sanitation services, implementation of sanitation and hygiene promotion projects, and improved traffic management. This will improve the health and well-being of women, children and the poor, enabling them to be more productive members of society.

**2. Impact channels and expected systemic changes.** The project will be socially inclusive. The poor and socially excluded will benefit from the improved quality, reliability, and management of a range of basic urban services (which may be different in each town, but are likely to include water supply and sanitation). They will also benefit from employment opportunities from the construction works.

**3. Focus of (and resources allocated in) the PRF or due diligence.** The project will cover cities in five Khyber Pakhtunkhwa and a range of urban services as noted in (1) above. The PRF will include social, resettlement, and gender specialists who will work with the team to identify entry points for socially inclusive, gender-sensitive designs depending upon which set of urban services are selected for each city. Issues that will be carefully reviewed include affordability of services, willingness to pay, and land acquisition and resettlement.

### 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 project? Urbanization impacts men and women differently given the different needs, skills, knowledge, gender roles and other socioeconomic factors. Unplanned urbanization has a risk to add to the vulnerabilities of poor segments of the

population particularly women—in the form of increased illegal resettlements (slums) with poor living conditions, lack of access to quality services such as water and sanitation, violence, and other social issues. At the same time, urbanization can serve as an opportunity to transform stereotypical gender roles and to reduce socio-cultural barriers which restrain women's access to economic opportunities. Although urbanization has increased the female labor force participation, women are mostly found in low-paid jobs with poor working conditions such as piecemeal workers, street vendors, domestic helpers while having no job protection.

In Pakistan, women are mainly part of the country's large informal sector with limited access to skills, financial services, and business networks. This is due to lower literacy levels, socio-cultural barriers, and lack of access to market spaces and information. Employed females (aged over 15 years)-to-population ratios doubled from 11.8% to 24.3% between 1995 and 2015. However, the proportion of females employed in paid jobs declined after 2000 from 33.1% to 26.5% in 2014. Less than 5% of women are included in the formal financial sector, compared to South Asia's average of 37%.<sup>a</sup> Pakistan therefore has ranked 108 out of 133 countries for the Women's Economic Opportunity Index, compared to Bangladesh (104) and India (84).<sup>b</sup>

2. Does the proposed project or project 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 The project will consider the following components as part of the Gender Action Plan and implementation strategy; Component 1. Increase Women's Access to Urban Spaces or Making Urban Spaces More Women-friendly, Component 2. Increase women's access to Decent Employment and Economic Opportunities; and Component 3. Women's increased role in improving the quality of municipal services. See below preliminary concept of each component:

**Component 1: Increase Women's Access to Urban Spaces and Make Urban Spaces More Women-Friendly**

- Improve family parks and recreational facilities while: introducing sports/exercise areas designated for women; notifying people of women-only or family-only days in parks; designating areas for exhibitions within parks such as arts and crafts, farmers market, food stalls, and games. This will boost economic activities and will provide opportunities for new small- and micro-level entrepreneurs—the majority of women in Pakistan are now taking part in small businesses but need facilities to display their products and talent.

**Component 2: Increase Women's Access to Decent Employment and Economic Opportunities**

- Improve women-frequented market infrastructure including parking areas, overhead bridges or underpasses to access markets. Introduce dedicated days for bazars (vegetable/fruit, and other grocery markets) for families or women; designated areas within these markets for women sellers and entrepreneurs; and separate toilet facilities and prayer areas for women.
- Construct women-only or family-only market in as a pilot test in Kohat. Kohat is one of the least developed cities with women having limited or no access to market spaces both as customers and entrepreneurs.

**Component 3: Increase Women's Role in Improving the Quality of Municipal Services**

- Increase the participation of women and youth on sanitation and solid waste management activists through engaging them in awareness-raising campaigns on topics related to; health and hygiene, safe and segregated disposal of solid waste (at primary collection points), use of biodegradable shopping bags (such as paper and cloth), cleanliness of public spaces and neighboring areas for clean and green environment, water conservation practices. This will be done while using multi-media campaigns (social media, electronic, and print), awareness through teachers and students, formal and informal public gatherings, and other activities.
- Increase women's access to customer complaint services and feedback mechanisms, through digitized research and surveys, efficient complaint and customer feed-back systems, women-friendly help desks for walk-in customer complaint services, and online customer complaint systems.
- Increase employment opportunities for women at municipal services offices with; gender-fair policies, conducive work environment, capacity building projects, and career development plan for employees.

ADB gender specialist in PRM will develop more detailed plans that will be reflected into the scope of EPCM firm.

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

☐ Yes ☒ No

4. Indicate the intended gender mainstreaming category:

☐ GEN (gender equity) ☒ 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. Approximately 3.0 million residents of KPK cities, local governments and municipal authorities. Participation will be through consultation with government, communities, NGOs and CSOs. The new stakeholders will be identified during the MFF implementation as the new target cities will be included based on mutual agreements between ADB and the Government.

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? Affordability analysis will require examination of expenditure on utilities and social protection. Analysis of service standards and consumer satisfaction will involve consultation with service users. Instruments for information gathering and sharing will include social surveys, focus group discussions, and public disclosure and consultation.

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? To be determined during the PRF 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 Affordability analysis for cost recovery tariffs; locations of services and facilities.

The social specialist will prepare a Consultation and Participation plan.

### IV. SOCIAL SAFEGUARDS

**A. Involuntary Resettlement Category** ☒ A or ☒ B ☐ C ☐ FI (tentative, based on common impacts of the nature of projects expected. To be determined on a project basis)

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? ☒ Yes ☐ No Extent of LAR to be determined during feasibility studies and updated during detailed designs. The PRF will select infrastructure to be upgraded under the project, conduct necessary due diligence and prepare the appropriate planning documents, including LAR framework.

2. What action plan is required to address involuntary resettlement as part of the PRF 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

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

3. Will the project require broad community support of affected indigenous communities? ☐ Yes ☒ No IPs as per SPS definition are anticipated in urban settings.

4. What action plan is required to address risks to indigenous peoples as part of the PRF 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 ☒ Adhering to core labor standards ☐ Labor retrenchment  
☒ Spread of communicable diseases, including HIV/AIDS ☐ Increase in human trafficking ☒ Affordability  
☐ Increase in unplanned migration ☐ Increase in vulnerability to natural disasters ☐ Creating political instability  
☐ Creating internal social conflicts ☐ Others, please specify \_\_\_\_\_

2. How are these additional social issues and risks going to be addressed in the project design? For analysis during the PRF and incorporation of measures to address in project design.

VI. PRF OR DUE DILIGENCE RESOURCE REQUIREMENT
<p>1. Do the terms of reference for the PRF (or other due diligence) contain key information needed to be gathered during PRF 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No More detailed terms of reference are available for the PRF.</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 due diligence? The PRF team will include a team of national safeguard and social development specialists to carry out poverty, social and gender and affordability analysis, social safeguard due diligence assessment and prepare the required safeguards frameworks and plans. It will also include the socioeconomic surveys, including poverty and gender assessment, affordability analysis and due diligence assessment of the project.</p>

<sup>a</sup> World Bank Report.

<sup>b</sup> ADB. 2016. *Pakistan Country Gender Assessment*. Manila.