

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Afghanistan	Project Title:	North–South Power Transmission Enhancement Project
Lending/Financing Modality:	Project Financing	Department/Division:	Central and West Asia Department Energy Division

<p>I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY</p> <p>Targeting classification: General Intervention</p> <p>A. Links to the National Poverty Reduction and Inclusive Growth Strategy and Country Partnership Strategy</p> <p>The strong correlation between obtaining sustainable energy supplies and improving security, poverty reduction, productivity, income growth, gender equity, health, and education in Afghanistan is an established fact. The Afghanistan National Development Strategy (2008) and the National Energy Supply Program (2013) recognize the need to sustain high growth rates by providing energy for all to generate employment and reinforce human development. Afghanistan’s power sector has made substantial gains. The proportion of the population connected to the electricity grid increased from a mere 5% in 2002 (fewer than 200,000 connections) to more than 25% (1 million connections) in 2012. System losses dropped from more than 70% in 2002 to 42% in 2012. Tariff collection rates rose from less than 50% in 2002 to more than 90% in 2012. Revenues have increased by 15% every quarter since 2009. Corporatization has been institutionalized in the sector and is gaining ground. Demand for electricity is growing by 25% a year in the country’s major load centers. To achieve the government’s poverty reduction goals, economic growth has to be accelerated and supported by a sustained increase in energy supply of 10%–12% per year.</p> <p>Studies by the Asia Foundation and the International Finance Corporation in 2011 found that, after better law enforcement, better power supply remains the highest priority of the businesses and people in Afghanistan. According to the Afghanistan National Risk and Vulnerability Assessment (NRVA) for FY2008, only 33% of the poor have access to any form of electricity, usually at rates of \$0.20–\$0.55 per kilowatt-hour. According to the Afghanistan Power Sector Master Plan (2012–2032) prepared with support from the Asian Development Bank (ADB), gross electricity demand is expected to grow at an annual average rate of 8.7%, and the grid-connected electrification rate is projected to reach 83% by 2032. This indicates a need for \$10 billion of investments in the power supply during this period.</p> <p>ADB’s country partnership strategy for 2009–2013 and country operations and business plan 2013–2014 are fully aligned with the priorities of the Afghanistan National Development Strategy and the National Energy Supply Program. The country partnership strategy highlights energy as one of the three sectors for ADB investments. The ADB-administered Afghanistan Infrastructure Trust Fund is also pooling development partner resources for significant investment in the country’s emerging energy sector.</p> <p>B. Results from the Poverty and Social Analysis during PPTA or Due Diligence</p> <p>1. Key poverty and social issues . The project will transmit cheaper imported and domestically generated power from northern and western Afghanistan to the country’s eastern and southern provinces, where the NRVA for FY2008 estimated the poverty rate to be as high as 44%. The NRVA also showed that households in the higher income quintiles had better access to electricity than those in the bottom quintiles. Rural households also had much less access to a power supply than urban ones. In rural areas, the rates of access ranged from 22% in the poorest quintile to 34% in the better-off quintile. In urban area, the rate of access ranged from 70% in the poorest quintile to 94% in the better-off quintile.</p> <p>In addition to making more electricity available for distribution in the south, the project will also facilitate energy trade and regional cooperation by opening the way for future transit of power produced in Central Asia through Afghanistan to meet power needs in South Asia. This would provide transit revenues for the government. The provision of continuous and affordable grid power will improve productivity, cut poverty, and improve the environment through a reduction in the use of diesel to generate electricity.</p> <p>2. Beneficiaries. The existing low capacity of Afghanistan’s power transmission network prevents the full transfer of surplus power from the northern regions to eastern and southern provinces where the country’s population and poverty are most concentrated. Beginning in 2012, the resulting power supply shortages have triggered load shedding in many centers, including Kabul. The project’s beneficiaries up to 2018 would include households and businesses already connected to grids in the provinces of Helmand, Kabul, Kandahar, Laghman, Logar, Nangrahar, and Paktya, who would benefit from more reliable power supply. After 2019, consumers connected to grids in additional southern</p>

and eastern provinces would also benefit. ADB and other development partners have complementary investment projects to expand transmission and distribution networks in these provinces. The projects would increase availability to existing customers and add 100,000 new connections during 2013–2018. Outside Kabul, the grid connection electricity rate in these provinces is currently less than 10%.

3. Impact channels. Grid connections using power from the transmission enhancement and providing affordable and sustainable power supply would (i) reduce the cost of doing business, (ii) provide electricity to 100,000 additional households prior to 2018 and more thereafter, (iii) provide energy to schools, small business, and health centers, and (iv) improve the environment by reducing the need to use diesel generators to produce electricity and to burn wood and biomass as fuel.

4. Other social and poverty issues. None.

5. Design features. The project would ensure affordable and sustainable power supply to southern and eastern Afghanistan, which would increase the grid-connected electrification ratio through follow-on downstream distribution investments. This has been reflected in the design and monitoring framework through the increased electrification rate impact.

II. PARTICIPATION AND EMPOWERING THE POOR

1. Summarize the participatory approaches and the proposed project activities that strengthen inclusiveness and empowerment of the poor and vulnerable in project implementation.

The project has limited scope for stakeholder engagement since it involves construction of upstream power sector infrastructure. Information sharing will relate to land acquisition based on the siting of infrastructure. The project benefits will accrue across the board to the entire population as more people are later connected to networks distributing the additional power which the project transmission system will bring from the north.

2. If civil society has a specific role in the project, summarize the actions taken to ensure their participation. None.

3. Explain how the project ensures adequate participation of civil society organizations in project implementation. Not applicable.

4. What forms of civil society organization participation is envisaged during project implementation?

Information gathering and sharing Consultation Collaboration Partnership

5. Will a project level participation plan be prepared to strengthen participation of civil society as interest holders for affected persons particularly the poor and vulnerable?

Yes. No. There are no issues for which a participation plan is important.

III. GENDER AND DEVELOPMENT

Gender mainstreaming category: no gender elements

A. Key issues. Any benefits of enhanced electrification are likely to be felt by all members of a household, regardless of gender, through such improvements as electric lighting and heating—benefits that will come from subsequent linked downstream distribution projects, not directly from the project's upstream power transmission enhancement.

B. Key actions.

Gender action plan Other actions or measures No action or measure

IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

A. Involuntary Resettlement

Safeguard Category: A B C FI

1. Key impacts. Most of line route is uninhabited, desert or high mountainous terrain. The project line will be built mainly along the existing corridor of a 220-kilovolt line, which runs along the main highway connecting northern and southern Afghanistan. The Arghandy substation will be built on land owned by the government. An initial assessment shows that the proposed line will have some impact on people living in Kabul suburbs. The precise location of towers will be ascertained during the contractor's detailed design stage in 2015. Although much of the corridor is understood to be owned by the Government of Afghanistan, it is expected that additional land will be required for the project. The project preparatory consultants will verify the types and magnitude of impacts and prepare the required resettlement plan, in consultation with affected people.

2. Strategy to address the impacts. The draft land acquisition and resettlement plan (LARP) will be finalized by the executing agency and the turnkey contractor, based on the detailed design of the transmission line and the substation component. A census of displaced persons will be conducted based on the decided locations of specific towers. The turnkey contractor will be required to engage a resettlement team or specialist to conduct the displaced persons census and survey and implement the final, implementation-ready LARP. A LARP coordinator will be engaged to serve as a link between the PMO and the displaced persons. The land acquisition and resettlement (LAR) coordinator will inform those affected on the need to implement the project and on aspects relating to land acquisition and LAR measures, and will ensure proper use of compensation extended under the entitlement package to those displaced. The assessment of all damages and losses will be done and the value of compensation decided by the provincial valuation and compensation committees. LARP implementation will be monitored internally by the project management office and, externally, by the construction supervision consultants. The estimated LARP implementation cost of \$997,774 includes compensation for permanent loss of private agricultural land, loss of dwelling structures,

loss of agricultural structures, loss of orchard walls and other structures damaged during construction, loss of trees, and provision of allowances for relocation, transition, and vulnerability related to dwellings evicted from right-of-way.	
3. Plan or other Actions.	
<input checked="" type="checkbox"/> Resettlement plan	<input type="checkbox"/> Combined resettlement and indigenous peoples plan
<input type="checkbox"/> Resettlement framework	<input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework
<input type="checkbox"/> Environmental and social management system arrangement	<input type="checkbox"/> Social impact matrix
<input type="checkbox"/> No action	
B. Indigenous Peoples Safeguard Category: <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI	
1. Key impacts. None.	
Is broad community support triggered? <input type="checkbox"/> Yes <input type="checkbox"/> No Not Required	
2. Strategy to address the impacts. Not Applicable	
3. Plan or other actions.	
<input type="checkbox"/> Indigenous peoples plan	<input type="checkbox"/> Combined resettlement plan and indigenous peoples plan
<input type="checkbox"/> Indigenous peoples planning framework	<input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework
<input type="checkbox"/> Environmental and social management system arrangement	<input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary
<input type="checkbox"/> Social impact matrix	
<input checked="" type="checkbox"/> No action	
V. ADDRESSING OTHER SOCIAL RISKS	
A. Risks in the Labor Market	
1. Relevance of the project for the country's or region's or sector's labor market.	
<input type="checkbox"/> unemployment <input type="checkbox"/> underemployment <input type="checkbox"/> retrenchment <input checked="" type="checkbox"/> core labor standards	
2. Labor market impact. The project will provide additional employment to local communities from 2014–2016 during construction and the usual covenants relating to labor standards are included in the project legal documents. Afghanistan is among the Tier 2 'watch list' countries. Therefore, the main issues of concern in Afghanistan are forced labor, child labor and sex trafficking which will be duly monitored during the project implementation.	
B. Affordability	
None	
C. Communicable Diseases and Other Social Risks	
1. Indicate the respective risks, if any, and rate the impact as high (H), medium (M), low (L), or not applicable (NA):	
<input checked="" type="checkbox"/> Communicable diseases <input checked="" type="checkbox"/> Human trafficking	
<input checked="" type="checkbox"/> Others (please specify) _____	
2. Describe the related risks of the project on people in project area.	
None. There are no social issues currently identified at this stage. The project is demand-driven and has been identified as the top priority project in the government's national priority plan and power master plan.	
VI. MONITORING AND EVALUATION	
1. Targets and indicators: No social indicators are included in the project design and monitoring framework.	
2. Required human resources: Not required.	
3. Information in PAM: Not applicable.	
4. Monitoring tools: Not applicable.	

Sources: ADB Fact Sheet, World Bank Fact Sheet, AFG National Risk and Vulnerability Assessment (NRVA) 2007/08.