

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Islamic Republic of Pakistan	Project Title:	Jamshoro Power Generation Project (JPGP)
Lending/Financing Modality:	Project loan	Department/Division:	Central and West Asia Department (CWRD) Energy (CWEN)
I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY			
Targeting classification: General Intervention			
A. Links to the National Poverty Reduction and Inclusive Growth Strategy and Country Partnership Strategy			
<p>The project follows the Asian Development (ADB) 2009–2013 country partnership strategy (CPS) for Pakistan, with investment and reforms in energy and infrastructure as one of three strategic focal areas.^a The strategic investment goal of the CPS is to increase energy security and efficiency through a focus on energy supply, through assistance from both public and private funding sources; it proposes ADB support power generation, transmission and distribution activities. The project is fully consistent with this strategy.</p> <p>The project is consistent with the country's Poverty Reduction Strategy Paper (PRSP) II,^b the 2005 Medium-Term Development Framework (MTDF 2005–2010)^c and Vision 2030 (approved in 2007).^d PRSP II highlights the removal of infrastructure bottlenecks as key to achieving inclusive and sustainable growth. Addressing the country's energy needs is a top priority of PRSP II, with an integrated energy development program recognized as one of the strategy's nine pillars for poverty reduction. Pakistan's energy sector strategy is described in the MTDF 2005–2010, which focuses on achieving energy security and ensuring the sector's long-term viability, and has as its main objective supporting projected 6%–8% growth in gross domestic product (GDP). The project will thus contribute to achieving national goals and targets relating to mitigation of the energy crisis.</p> <p>The government aims to adopt an integrated approach to energy planning that takes into account the cross-sectoral economic impacts of various energy options. The MTDF 2005–2010 and the PRSP II emphasize investment needs to promote integrated energy development to improve energy security for economic development and poverty reduction.</p>			
B. Results from the Poverty and Social Analysis during PPTA or Due Diligence			
<p>1. Key poverty and social issues.</p> <p>Pakistan is suffering from an acute energy crisis, which is caused by (i) insufficient energy supply capacity, (ii) poor sector performance, (iii) increasing demand, and (iv) inefficient use of energy resources. The persistent energy shortage—which reached a peak of 5,000 megawatts in fiscal year (FY) 2011—represents about 30% of total demand, and has made life difficult for all Pakistanis. Many urban areas experience power interruptions for over 10 hours a day; some rural areas have interruptions of 20 hours per day. The manufacturing sector, especially small- and medium-sized enterprises (SMEs) that usually cannot afford backup generators, is the hardest hit. Estimates from the Planning Commission suggest that losses arising from power and gas shortages reduced GDP growth by 3%–4% in both FY2011 and FY2012.</p> <p>Poor and vulnerable consumers, including social utilities such as hospitals and schools, are often the hardest hit by inadequate power supply, load shedding, and poor power quality. They will benefit directly from the project. Direct positive economic and social benefits will result from the rehabilitation project. Most poor people in Pakistan are wage laborers or are self-employed. Around 40% of the rural population is landless and is mainly employed as agriculture and off-farm wage workers. Increased power generation will positively impact wage rates, the growth of rural agribusiness, and agro-industrial sector development, and contribute significantly to rural poverty reduction.</p> <p>Increased power generation will enable tube wells and industries to operate for more hours per day, thereby increasing agricultural and industrial productivity. The increased energy supply will also result in more work opportunities and higher incomes for the poor. Increases in the Human Development Index are strongly correlated with access to commercial electricity supplies.^e The indirect benefits of a reliable energy supply will include reduced time poverty and improved health of women by reducing fume-related indoor pollution and water- and food-borne diseases by enabling appropriate boiling of water and food.</p>			
<p>2. Beneficiaries.</p> <p>The project has no primary beneficiaries. Power supply will be evacuated to the national grid, with no localized impact. The cumulative increase in the power supply and reduction in the current power shortfall will benefit all consumers (urban, rural, industrial, agricultural, commercial and domestic), and may increase employment and benefit the poor.</p>			
<p>3. Impact channels.</p> <p>Based on existing information, the SME sector is the hardest hit by the power shortage because they lack backup power sources, and have the largest total workforce among manufacturers. Increased electricity supply can result in increased employment opportunities, and rehiring of personnel laid off as a result of deficient power supplies.</p>			
<p>4. There are no adverse impacts on health due to CO₂ emissions. Health impacts are related to PM2.5, PM10, SO_x and NO_x emissions, and the EIA in Section 9.4.7 shows that we are mitigating/offsetting all. CO₂ emissions have been covered in detail in the Environmental Impact Assessment Report section 9.5.^f</p>			
<p>5. Design features. The project has no specific strategy to address poverty and social issues.</p>			

C. Poverty Impact Analysis for Policy-Based Lending - Not applicable	
II. PARTICIPATION AND EMPOWERING THE POOR	
<p>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 will generate electricity that will be fed into the national grid. All consumers (urban, rural, industrial, agricultural, commercial and domestic) connected to the grid are potential beneficiaries; however their direct participation is not relevant to the project design. Except in Jamshoro, the sites are contained within operating power plants and have no squatters. The only directly affected people are those affected by resettlement; they were closely consulted in preparation of the Land Acquisition and Resettlement Plan, and will participate in its implementation.</p> <p>2. If civil society has a specific role in the project, summarize the actions taken to ensure their participation. Because the social benefits of the project are primarily indirect, civil society organizations (CSOs) that focus on social impact and development have not had a specific role in the project.</p> <p>3. Explain how the project ensures adequate participation of civil society organizations in project implementation. CSOs relevant to social impact and development will continue to have a limited role in the project during implementation; if any such CSOs express interest in being involved, the project will ensure information flows are fully transparent and will seek their advice as appropriate.</p> <p>4. What forms of civil society organization participation is envisaged during project implementation <input type="checkbox"/> Information gathering and sharing <input checked="" type="checkbox"/> Consultation <input type="checkbox"/> Collaboration <input type="checkbox"/> Partnership</p> <p>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? No. The project has few direct benefits from a social and poverty perspective. Those affected through resettlement will be directly engaged.</p>	
III. GENDER AND DEVELOPMENT	
Gender mainstreaming category: No Gender Elements (NGE)	
<p>A. Key issues. The key gender issues emerging from prolonged power outages relate to employment and the reinforcement of the gender stereotypes. At least 30% of textile manufacturing employees are female.⁹ Laying off employees because of energy shortages disproportionately affects women, and destroys their single source of livelihood. At household and community levels women are the main household managers, responsible for both reproductive and food preparation tasks. If they have a grid connection, load shedding and unreliable energy supplies force them to use other energy sources, which is typically expensive and time consuming. Women have a high stake in improved power supply to households as homemakers and caregivers for the family. The gender mainstreaming category is NGE. Because of the nature of the project, benefits are generalized for the national grid and the whole population, and specific components targeting women are not appropriate.</p>	
<p>B. Key actions. Equal employment opportunities for all social groups, equal pay for equal work regardless of gender, and prohibition of child labor will be monitored by the project implementation consultant and the project management unit of GENCO Holding Company Limited (GHCL) and Jamshoro Power Company Limited (JPCL). The monitoring results will be included in quarterly progress reports and semi-annual environmental reports. Women will be directly consulted during resettlement plan implementation, and men and women will receive equal compensation for lost land. Both men and women will sign all relevant documentation. <input type="checkbox"/> Gender action plan <input checked="" type="checkbox"/> Other actions or measures <input type="checkbox"/> No action or measure</p>	
IV. ADDRESSING SOCIAL SAFEGUARD ISSUES	
A. Involuntary Resettlement	Safeguard Category: <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI
<p>1. Key impacts. The project is classified as resettlement category "B". There will be no impact on indigenous peoples. One hundred acres of barren privately owned land will be acquired. Land acquisition will not result in economic or physical displacement. There are 18 separate landowner families comprising 106 persons, whose livelihood is not dependant on the impacted land. There are no crops, trees, structures or livelihood activities on the land to be acquired. A draft land acquisition and resettlement plan (LARP) has been prepared in accordance with ADB's Safeguard Policy Statement (2009). This draft LARP will be updated by the executing authority and approved by the ADB prior to implementation.</p> <p>2. Strategy to address the impacts. JPCL has obtained verified and authenticated land records from the Jamshoro deputy commissioner. Many of the landowners in the lists are reportedly no longer alive, and their eligible heirs will need to obtain land inheritance titles from the Land Revenue Department before they can legally sell the land to JPCL and be paid for it. Once the land has been transferred to the current landowners, JPCL will negotiate a price with them, and purchase the land on a willing buyer-willing seller basis, and record the deed with the District Revenue Department.</p>	

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.	
No impact on indigenous people will occur as a result of the development.	
Is broad community support triggered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
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 be constructed by high capacity contractors who will be dependent largely upon skilled labor. The contractor will be bound by the International Labour Organization's Core Labour Standards. The project will create only limited opportunities for local labor during both construction and operation.	
B. Affordability	
The project will have limited direct impact on affordability. The generated electricity will go to the national grid and contribute to closing the electricity deficiency gap and lowering of the pooled price for electricity.	
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): L Communicable diseases NA Human trafficking NA Others (please specify) _____	
2. Describe the related risks of the project on people in project area. Health impacts from particulate matter, sulfur dioxide and nitrogen dioxide emitted from the project are mitigated (footnote f).	
VI. MONITORING AND EVALUATION	
1. Targets and indicators: No direct targets and indicators.	
2. Required human resources: Limited human resources required. The executing authority will ensure compliance by contractors with contractual requirements.	
3. Information in PAM: There are no direct social monitoring and evaluation provisions in the Project Administration Manual (PAM).	
4. Monitoring tools: The only monitoring tools for poverty and social dimensions in the project loan agreement and the PAM relate to involuntary resettlement.	

^a ADB. 2009. *Country Partnership Strategy: Pakistan, 2009–2013*. Manila.

^b Government of Pakistan, Finance Division. 2008. *Poverty Reduction Strategy Paper (PRSP) II*. Islamabad.

^c Government of Pakistan, Planning Commission. 2005. *Medium-Term Development Framework 2005–2010*. Islamabad.

^d Government of Pakistan, Planning Commission. 2007. *Vision 2030*. Islamabad.

^e United States Agency for International Development. 2007. *Energy Sector Assessment for Pakistan*. Washington.

^f Government of Pakistan. 2013. *Environmental Impact Assessment: Jamshoro Power Generation Project*. Manila: ADB.

^g S. Khan and F. Khan. 2011. *Public/Private Sector Policies Pertaining to Female Employment in Textile Sector of Pakistan. A Case Study of Karachi textile factories*. <http://www.tasa.org.au/uploads/2011/11/Khan-Khan-R0050-Final.pdf>