

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Islamic Republic of Pakistan	Project Title:	Jamshoro Power Generation Project (JPGP)
Lending/Financing Modality:	Project loan	Department/Division:	CWRD/CWEN

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The Government of Pakistan's current Poverty Reduction Strategy Paper (PRSP) covers the three-year PRSP-II period of FY2008/09 – FY2010/11, as well as provides a framework for thinking well beyond this timeframe. The PRSP-II draws upon lessons learned during the implementation of PRSP-I. The Poverty Reduction Strategy is built upon nine pillars: (i) macroeconomic stability and real sector growth; (ii) protecting the poor and the vulnerable; (iii) increasing productivity and value addition in agriculture; (iv) integrated energy development program; (v) making industry internationally competitive; (vi) human development for the 21st century; (vii) removing infrastructure bottlenecks through public private partnerships; (viii) capital and finance for development; and (ix) governance for a just and fair system. Agriculture, most of which is irrigated and which accounts for about 24% of the country's GDP, was given high priority in the PRSP-II especially as the bulk of the poor are concentrated in rural areas. Ensuring energy security and efficiency was also among the government's top priorities in order to tackle the current energy crisis and enable sufficient supply of energy for domestic, as well as commercial use. Environmental sustainability, a key cross-cutting theme, also formed an integral part of the PRSP-II.

Major interventions in the energy sector are designed to achieve economic progress through infrastructure development. By rehabilitating existing power plants, the project is expected to result in improved quality and reliable delivery of services to customers, particularly benefiting commercial, residential, and agricultural customers in Pakistan. The long hours of load shedding, especially unscheduled, has had dire impact on employment. The manufacturing sector has been hardest hit. An estimated 400,000 people have become unemployed or underemployed because of lack of electricity. The project is the least-cost method, aside from conservation, to increase power into the system.

B. Targeting Classification

General Intervention Individual or Household (TI-H) Geographic (TI-G) Non-income MDGs (TI-M1, M2, etc.)

The power produced will not be targeted to a specific area but will benefit the grid.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. Power supply will be evacuated to the national grid so there will be no localized impact. Cumulative increase in power supply and reduction in the current shortfall benefits both urban and rural consumers, industrial, agricultural, commercial and domestic and potentially may increase employment and benefit the poor.

2. Impact channels and expected systemic changes. Based on existing information the SME sector is hardest hit since they do not have back-up sources of power. These enterprises employ the largest number of people. Increase in electricity supply can thus lead to increased employment opportunity and re-hiring of personnel laid off due to deficient power supplies.

3. Focus of (and resources allocated in) the TA or due diligence. Under the MFF EE support component (Loan 2553), Ministry of Water and Power (MOWP) has recruited project preparation consultants to assist in (i) subproject selection and (ii) bidding documents preparation for tranches 2 and 3 of the MFF. The scope of work, through a contract variation, has been increased to prepare the additional feasibility study of the 600MW supercritical power unit in Jamshoro using imported sub-bituminous coal. Due to the change of scope to utilize blended coal instead of imported coal and the tight processing schedule, MOWP has requested ADB for grant financing to engage the consultants from MFF EE to work on the JPGP.

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 program? The key gender issues that emerge from prolonged power outages relate to employment and the reinforcement of the gender stereotypes. At least 30%¹ of textile manufacturing employees are female. Laying-off of employees due to insufficient energy supply affects women the most, and destroys their single source of livelihood; and (ii) at the

¹Source: Organizing for Labor Rights, Women in Textile Manufacturing Sector in Pakistan and Bangladesh, 2009.

household and community levels— women are main household managers, responsible for both reproductive and food preparation tasks (if connected with the grid); load shedding and unreliable energy supply forces them to find other source of energy for the family, which in most cases, is expensive and time consuming; and unreliable energy supply in the communities leads to intermittent public lighting which consequently puts women at risk when moving outside of their houses during the night.

Women have a high stake in improved power supply to households as homemakers and caregivers for the family. Gender stereotypes are reinforced by unreliable power supply as women spend more time on household tasks and cannot engage in income-generating and/or educational activities.

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?

Yes No

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 theme) 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.

The project will generate electricity that will feed the national grid. Urban and rural consumers, industrial, agricultural, commercial and domestic consumers connected to the grid are potential beneficiaries, however, their direct participation is not relevant to project design. Except in Jamshoro, the sites are contained within operating power plants and do not have informal settlers. In Jamshoro, the site for the ash pond requires the acquisition of approximately 100 acres of adjoining land which will not cause any physical or economic displacement. They have been closely consulted in the Land Acquisition and Resettlement Plan preparation and will participate in its implementation.

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?

Information sharing and consultations will be conducted with environment NGOs, power plant staff, and communities in the vicinity of the power plant. Environmental aspects of the project, the EIA and the EMP, will be disclosed through public meetings and community consultations.

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? Several national, international, provincial, local civil society organizations and universities are active in the Hyderabad – Jamshoro area. (L) Information generation and sharing (L) 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

IV. SOCIAL SAFEGUARDS

A. Involuntary Resettlement Category A B C FI

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? Yes No

2. What action plan is required to address involuntary resettlement as part of the TA 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
3. Will the project require broad community support of affected indigenous communities? Yes No
4. What action plan is required to address risks to indigenous peoples as part of the TA 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?
- (L)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 _____

VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the terms of reference for the PPTA (or other due diligence) contain key information needed to be gathered during TA or due diligence process to better analyze (i) poverty and social impact; (ii) gender impact, (iii) participation dimensions; (iv) social safeguards; and (vi) other social risks. Are the relevant specialists identified?

Yes No

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? Resources are allocated for EIA and EMP public consultation and information disclosure workshops and for updating the Land Acquisition Resettlement Plan.