

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Pakistan	Project Title:	National Highway Network Development in Balochistan Project
Lending/Financing Modality:	Project Loan	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

The Project Loan is aimed to improve the National Highways Network in Balochistan, the largest province by area constituting 44% of Pakistan's total land mass. The country's national poverty rate is 33%, while the population below the extreme poverty line is 21% (2012).^a Gross domestic product per capita is \$802 with annual growth of 3.6%.^{ba} Balochistan is one of the poorest provinces in Pakistan. In addition to long-standing political instability, the poor condition of infrastructure inhibits economic activity of people both within and outside the province. In Baluchistan the poverty rate in 2012 is estimated at 52%, and poverty incidence is higher in rural areas (72%) than in urban (28%). Poor connectivity and access continue to be a major problem, which particularly affect the poor, who live mostly in the rural areas.

The project will rehabilitate National Highway sections (i) 81 km of Zhob–Mughal Kot (N50) and (ii) 117 km of Qila Saifullah–Waghum (N70) in Balochistan Province for connecting the northern part of Pakistan with its main port of Karachi and other southern areas. The project is expected to divert traffic flows in east-west direction along the north-south corridor. At the project's completion, those road users will be able to move through the province more comfortably and easily while also saving travel time and costs, which will contribute to local economic development. The project will also construct community facilitation centers along those sections as a venue for local farmers to have more active business with road users, such as truck drivers and trade facilitators, and foster their agriculture/livestock markets more favorably.

The Government of Pakistan (GOP) has been updating its Poverty Reduction Strategy (PRSP) and, at present, the Poverty Reduction Strategy PRSP-II (FY2008/09–FY2010/11) is still effective and provides a framework beyond three-year timeframe. The nine pillars of the PRSP-II include macroeconomic stability and real sector growth; protecting the poor and vulnerable; increasing productivity and value addition in agriculture; and removing infrastructure bottlenecks through public-private partnerships. It recognizes that economic growth and service delivery are crucial for poverty reduction. Infrastructure development leading to regional connectivity is critical as a catalyst for accelerated growth in regional trade generating economic activities and employment along the project roads and beyond. Those goals are in line with the ADB's long-term development framework, Strategy 2020,^c and the Pakistan Country Partnership Strategy (CPS) for 2009–2013, which stresses needs of inclusive growth, infrastructure development and human capital development.

B. Targeting Classification

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

Explain why:

The project aims to increase economic growth through improved road infrastructures and enhanced trade and traffic along the project roads. The project will benefit both local communities (through improved access to markets and social service facilities, and enhanced opportunities for community networking), and the population of the wider region through transportation of goods. However, the project has no direct poverty reduction impacts, hence classified a general intervention.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

The main direct beneficiaries are people living and working along and near the project roads, and those involved in trading agriculture products, locally-produced minerals and other goods such as bricks, stone and other construction materials. Indirect beneficiaries include large sectors of the population who will gain from cheaper and more efficient availability of goods across the country and from easier access to health, education and social facilities. The Key issues include (i) severely deteriorated narrow road sections constructed decades ago, (ii) deferred and poor maintenance, and (iii) plying of heavily-loaded freight transport (trucks), which have resulted in uncomfortable rides, lengthy travel times, expensive freight costs as well as limited access to better market opportunities and socio-economic facilities for local population.

2. Impact channels and expected systemic changes.

By rehabilitating the above mentioned National Highway road sections, the project is expected to contribute to

(i) smoother travel on the improved surface with reduced travel time, (ii) reduced travel and freight costs by reducing vehicle operation costs, and (iii) reduced road accidents by installing ancillary road furniture and safety facilities. In addition, during construction works, the local population will benefit from short-time employment opportunities and opportunities to sell food and goods to construction workers. Through the component of community facilitation centers, local communities will be given with new public market places for their agriculture/livestock products and be able to interact more actively with traders inside/outside the province, which will bring about their income increase.

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

Project supervision consultants will review and finalize the project design and supervise implementation of project works. Along with International and National Engineering staff a team of national specialists comprising, Resettlement Specialist, Social Development Specialist, Gender Specialist and Environment Specialist will be mobilized. ADB missions will also be fielded to conduct due-diligence.

4. Specific analysis for policy-based lending. Not Applicable

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 main works during civil works will be implemented with use of heavy machinery, with limited use of unskilled labor, and in any case established socio-cultural practices in the province mean that women residing along the project roads are unlikely to participate in civil works or roadside business with construction workers. The nature of the project and the local social context mean that opportunities for gender design elements are severely limited, hence the project is categorized as "No gender elements" (NGE). Nonetheless, the project will ensure that the proposed community facilitation centers address women's priority concerns as well as those of men. At detailed design stage, an in depth Gender Analysis will be conducted by a National Gender Specialist to identify needs of women in the project area and how project benefits may be maximized for them. Appropriate gender-inclusive facilities will also be considered, such as separate restrooms for female travelers, and road safety facilities preferred by women. Bidding documents will include clauses ensuring gender equality in wages and conducting awareness-raising campaigns on sexually transmitted infections and human trafficking.

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 Please explain.

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

Yes No Please explain

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 main stake holders of the project include Government Departments (Ministry of communication (MoC), National Highway Authorities (NHA), Local Government Departments in Balochistan Province with other law enforcing agencies like Highway Traffic Police etc.) and project beneficiaries including trading companies, freight forwarders and transport operators as well as the local community having their assets landed and non-landed in along the project roads and project affected persons.

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?

Since the preparatory stages of the project, public consultations with government departments, local authorities and populations have been held continuously to disseminate project-related information and discuss issues, such as potential impacts during civil works. Local communities working/residing along the project roads have been consulted during project preparation to ensure project inclusiveness. Continuously, during implementation, public consultations will be held regularly to provide updated project implementation status information and ensure safeguard-related due diligence is fully conducted with their agreement. Considering the socio-cultural sensitivities in the area, consultations will be held separately with men and women, and at times and places convenient to each.

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?

Consultant (Social Development Specialist) will identify all key stakeholders for consultations, information sharing and ensuring community needs and suggestions are incorporated during project implementation.

Information generation and sharing Consultation (M) 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

A project communication plan will be prepared to ensure stakeholders are aware of and engaged with the project, especially in the areas of resettlement planning, consultation, and grievance redress.

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

According to resettlement plans, there will be no land acquisition and key resettlement impacts include partially affected structures (permanent structures and temporary thatched sheds/kiosk) and trees encroached into right-of-way. All identified assets (structures and trees) are owned by 361 affected households (encroachers) with 2,588 affected persons (86 affected households with 612 affected persons in Zhob Mughal Kot road and 275 affected households with 1,976 affected persons in Qila Saifullah–Loralai–Waighum Rud road. The impact analysis reflect that (i) no affected household will face 10% or more loss of his productive assets and (ii) no any affected household will be displaced physically due to execution of project civil works. Hence irrespective of No. of APs the project is placed under category B. The draft RP has been prepared in accordance with relevant policies of the GOP and ADB, and will be disclosed on the ADB's website accordingly. After the design review by supervision consultants, NHA will update the draft RP by confirming impacts to affected households and compensation to be paid to those households on replacement cost bases. Then, the RP will be finalized and endorsed by the GOP and approved by ADB, and posted on the websites of the NHA and ADB.

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

Except for 9 Km Road section of N-50 (Kot Debara to Mughalkot) traversing through uninhabited steep barren hills in Federally Administered Tribal Area (FATA), the project roads are mainly located in settled areas of Balochistan Province without any tribal communities or ethnic groups with secluded culture or socio-economic settings different from main stream population of the country to be defined as indigenous people as of SPS 2009.

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 PPTA 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?

The requirement to comply with core labor standards will be included in the loan covenants/work contracts. Contingent on the findings of social assessment, the requirement for preference for local labor will be included in work contract. Provisions on awareness building on HIV/AIDS and STIs will be included in the contracts.

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 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?

- 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?

Supervision Consultants will include Social Development Specialist, Gender Specialist, Resettlement Specialist and Environment Specialist.

^a Sustainable Policy Development Institute: Clustered Deprivation: District Profile of Poverty in Pakistan Report 2012, Islamabad.

^b ADB Outlook 2013 Update.

^c ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank, 2008–2020*. Manila.