

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Pakistan	Project Title:	Khyber Pakhtunkhwa Provincial Roads Improvement Project
Lending/Financing Modality:	Project Loan	Department/Division:	CWRD/CWTC

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The Government of Pakistan's Poverty Reduction Strategy PRSP-II (FY2008/09–FY2010/11) and Vision 2025 underscores the value of improved road infrastructure as a catalyst for economic growth and poverty reduction. Infrastructure development leading to better connectivity is critical for accelerated growth through better road service for poor rural population. The project aims at improving the provincial highway network in KP, which is the third largest populated province in the country. It will assist the GoKP in rehabilitating approximately 300 km of provincial highways and strengthening the capacity of the provincial Government in planning, maintenance and highway safety. The project therefore is aligned with PRSP-II and Vision 2025.

Improved provincial highway network can reduce the cost of agricultural product, reduce time to access to market, provide better service for health and education, and accelerate economic growth. The project itself can generate employment opportunities for local communities. ADB's assistance is in line with the Government's plan to upgrade the quality of the provincial highway network, and is consistent with the strategic objectives of the ADB's Country Partnership Strategy (2015–2019) and ADB's Sustainable Transport Initiative.

B. Poverty Targeting

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

Explain why:

The Project will contribute to poverty reduction by reducing the cost of agricultural product, saving their time to access market, providing better service for health and education, and accelerating economic growth. The project itself can generate employment opportunities for local villagers in short term during construction.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

The project loan is aimed to improve the provincial highway network in KP, the third largest populated province in Pakistan. In Pakistan more than 40% of the population continues to live below the poverty line. The increase in poverty is mainly attributed to declining economic growth, persistence of severe macroeconomic imbalance, lack of social safety nets, and poor governance. In KP, about 83% of total population lives in rural areas, where the incidence of poverty is high. Poor rural areas are characterized by poor income-earning opportunities; poor housing; inconsistent levels of agricultural products; inadequate provincial highway networks, water, sanitation and health facilities; and lower educational levels. Among the factors that have contributed to poverty are (i) highly unequal land ownership distribution; (ii) inability to provide adequate social services; (iii) rising agricultural input prices, low productivity, and poor marketing and distribution facilities; and (iv) lack of adequate human capital development programs.

KP has 25 districts, including the city district of Peshawar. Agriculture is the largest sector, accounting for 60% of exports. About 83% of rural the population lives on less than PRs. 3,000 per month. The rural areas are currently served by poorly maintained district roads and unpaved tracks, which link a number of villages. More than 50% of the provincial highway network is in fair to poor condition, and one third is in very poor condition.

The Potential beneficiaries of the project are the local communities, especially business people and traders, local villagers in project areas, transport operators, and Government agencies.

2. Impact channels and expected systemic changes.

With the improvement of the provincial highway network, more poor population will benefit through better traffic conditions, lower transportation costs, fewer traffic accidents, and reduced vehicle operation costs. The beneficiaries will have better access to social services, such as education and health.

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

A project preparatory technical assistance (PPTA) of \$1.0 million is programmed. A team of international/national consultants comprising road highway expert, road safety specialist, environment specialist, social safeguard specialist, social and poverty specialist, gender specialist, institutional strengthening specialist, procurement

specialist, highway engineer, structure engineer, materials engineer, and pavement engineer will be recruited. 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?

Employment opportunities for women will be encouraged. An improved and safer provincial highways network will facilitate women's mobility and will enhance their access to better educational, health and economic opportunities. The PPTA Gender Specialist will identify specific issues in project areas. The project may provide access for women to participate and obtain benefits during the project implementation phase including participating in the consultation meetings, and participation in livelihood improvement programs under the resettlement plan. The resettlement plans will ensure that there will be no disproportionate negative impacts on women.

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.

The proposed project will improve the access of women to economic and social services.

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

Yes No Please explain

No such issue identified, however PPTA Consultants will assess and propose mitigation measure for any adverse impact during Socio-economic analysis and LARP preparation.

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 stakeholders of the project include local Government, farmers, trading companies, transport companies, local business, and local residents. All these stakeholders will participate in the community meetings and consultation during project design and 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?

It is envisioned that during the PPTA stage, the consultation and participation process will involve a stakeholder analysis followed by subsequent consultations with various groups. It is planned to conduct community meetings and consultations with local Government, Non-Government Organizations, transport related societies. A series of focus group discussions and consultation will be undertaken with all stakeholders as part of poverty assessment, the socio-economic analysis and preparation of resettlement planning documents.

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?

PPTA Consultants (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 (Medium) Consultation (Medium) Collaboration (Low) Partnership (Low)

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

The proposed development activities on selected project sections will be implemented within the existing right of way and new land acquisition is not expected. However some resettlement/encroachment related impacts are still expected which will be addressed through resettlement plans to be prepared in accordance with ADB's Safeguard Policy Statement of 2009 (SPS).

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 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

The project will improve the access for local population to market, social service, and business, thus no potential affects are expected to happen. Furthermore, IPs presence is not expected in and around the project areas. The PPTA will confirm this further after a detailed field assessment.

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 (L) Adhering to core labor standards (L) Labor retrenchment
 Spread of communicable diseases, including HIV/AIDS (L) Increase in human trafficking Affordability
 Increase in unplanned migration Increase in vulnerability to natural disasters Creating political instability
 Creating internal social conflicts (L) 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?

A project preparatory technical assistance (PPTA) of \$1.0 million is programmed. A team of international/national consultants comprising Highway Expert, Senior Environmental Expert, Senior Transport Economist, Road Safety Expert, Institutional Strengthening Expert, Finance Management Expert, Climate Change Adaptation Specialist, Highway Engineer, Procurement Expert, Resettlement Expert, Geotechnical/Materials Engineer, Structural Engineer, Pavement Engineer, PPP Expert, Economist, Transport Economist, Financial Management Expert, Environment Expert, Social Poverty Expert, Gender Expert, Quantity Surveyor, Chief Surveyor, and Database Manager will be recruited. ADB missions will also be fielded to conduct due-diligence.