

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Afghanistan, Islamic Republic of	Project Title:	Panj-Amu Basin Project
Lending/Financing Modality:	Project grant	Department/ Division:	Central and West Asia Department/Environment, Natural Resources & Agriculture Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The Afghanistan National Development Strategy (ANDS) recognizes the need to sustain high growth rates in the medium term to generate employment and reduce poverty. Agriculture generates about 50% of gross domestic product and employs about two thirds of all Afghans; 19 million people (or nearly 80% of the population) live in rural areas and have the highest incidence of poverty. Agricultural and rural economic growth is essential for sustained improvement in national livelihoods. Given that irrigated agriculture produces 80% of all agricultural output, providing reliable irrigation water supplies is critical to achieving this growth. To achieve the Government's poverty-reduction goals, economic growth has to be accelerated and supported by a sustained increase of 5%–8% per year in the agriculture sector.

According to 2008 National Risk and Vulnerability Assessment data about 45% of the rural population is poor compared to 27% of those who live in urban areas. Rural populations have the highest rates of food insecurity, with 45% not meeting minimum food requirements. In addition to facing high food insecurity, rural households have less access to infrastructure and basic public services. Their level of education is low and rates of illiteracy are high.

The 2009-2013 country partnership strategy is fully aligned with ANDS priorities and outcomes and highlights four sectors for ADB investments: (i) energy; (ii) transportation and communication; (iii) agriculture and natural resources, including irrigation and water resources management; and (iv) governance.

B. Targeting Classification

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

The project will provide reliable irrigation water to around 50,000 hectares, increase agricultural production, and reduce the risks of flooding. The primary beneficiaries will be rural communities dependent upon irrigated agriculture. These communities across the Panj-Amu Basin (PAB) are mostly characterized as being very poor (less than \$1.25/day).

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

Afghanistan's human development indicators are among the lowest in the world. Some 12 million Afghans (42% of the population) live below the poverty line with monthly incomes of about \$14 per capita. Farmers with access to irrigable land will be the primary beneficiaries. Farmers in the project area are mostly poor with average farm areas of only around 1 hectare. Poverty rates in the PAB range between 30 to 40% (Kunduz province – 20-30%; Takhar province 31-42%), and is similar to that of Afghanistan (35.8%). Some of the largest irrigation benefits will be realized by farmers at the tail end of irrigation canals who are often deprived of irrigation water. The project will also contribute to improved food security from increased food crop production which is important given the PAB, like other regions of Afghanistan, suffers from low food security. The Gini index of the PAB of 26 indicates that, although the region is extremely poor, there is little income inequality (i.e. most households are poor).

2. Impact channels and expected systemic changes.

The project through reliable water supply will ensure sustained production and continuity of agricultural production. This will lead to a consequent improvement in household incomes and welfare.

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

The project will ensure an equitable supply of irrigation water is made available, particularly to users at the tail-end of irrigation systems.

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?
Field assessments indicate that gender roles are entrenched with women engaged only in some selected activities of which house-keeping is most important. Women have several concerns such as lack of food, income, work opportunities, lack of health facilities and potable water shortage. Women do not enjoy the freedom to work on income generation projects outside the home despite interest in doing so. This restricted access to opportunities stems mainly from narrow cultural interpretations around women's work and mobility, but also security concerns). The Project is not expected to explicitly address these existing gender concerns and has few activities to address women's subordination or to create a high gender impact. While there are unlikely to be any gender impacts resulting from implementation of the project, gender and social analysis will be employed to ensure further marginalization of women does not eventuate from establishment of water user associations, and to identify and ensure incorporation of women's needs into project activities, for example concerning domestic access to irrigation water and implications for women's agricultural work (both on and off farm). Where feasible, specific gender elements will be identified for the implementation of the project.

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

The project may improve women's access to water supplies and access to employment opportunities.

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

☐ Yes ☒ No

See (1) above.

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 beneficiaries groups are farmers and rural communities within the project area of the PAB. No negatively affected people are identified.

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?

Stakeholders will participate in the project design through: (i) an initial social assessment, (ii) implementation of a participation plan, and (iii) participatory (irrigation system) performance assessment and diagnosis to identify constraints and formulate practical measures to alleviate them.

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?

M Information generation and sharing **M** Consultation **M** Collaboration **L** Partnership

No key issues

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 stakeholder analysis will identify the poor and excluded who should participate in and be involved in the process of the design and decision on project packages during project preparation. In addition a capacity development component under the proposed project will be proposed to help build the capacity of water user associations to address farmers' demands and complaints. Irrigation projects by definition benefit those with land more than the landless, who are usually the poorest. Irrigation improvement however has indirect effects on local employment especially in terms of productivity gains and improved maintenance.

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

Some involuntary land acquisition may be associated with canal widening and cleaning activities.

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

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? ☐ Yes ☒ No

No expected impacts

3. Will the project require broad community support of affected indigenous communities? ☐ Yes ☒ No

Not required

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

No additional issues

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 (vi) other social risks. Are the relevant specialists identified?

- ☒ Yes
 ☐ No

Included in terms of reference

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?

The project preparation is financed and administered by the European, with joint ADB co-supervision. The following specialist inputs and associated cost will be allocated in the project preparation to conduct necessary assessments: environment, resettlement, social and gender, and financial management. The project preparation will also include the cost to conduct workshops, stakeholder identification, consultation, and necessary surveys.