

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Pakistan	Project Title:	National Motorway M-4 Gojra–Shorkot Section 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

Pakistan's strategic location has a potential to play a role as regional transport hub by connecting land locked Central Asian countries with Pakistan's sea ports through road infrastructure. Recognizing the importance of transport to economy, the Government of Pakistan (GoP) is committed to invest in improving the transportation infrastructure. The project is aligned with the government's Vision 2025<sup>1</sup> and 10<sup>th</sup> 5-year plan (2010–2015) to meet the objective of sustainable economic growth through increased Pakistan's competitiveness.

The GoP's Poverty Reduction Strategy PRSP-II (2009-2011)<sup>2</sup> provides a framework beyond three years' timeframe, which recognized economic growth and service delivery are crucial for inclusive growth and poverty reduction. The project will bring better connectivity which is critical catalyst for accelerated growth and sustainable macroeconomic development and generate more economic activities and employment opportunities along and beyond the project corridor which indirectly leads to increase in social spending to benefit the poor. These are also in line with the Interim Country Partnership Strategy for Pakistan, 2014–2015<sup>3</sup> and fit with ADB's Midterm Review of Strategy 2020<sup>4</sup>, which stresses needs of inclusive growth, infrastructure development and human capital development.

#### B. Poverty Targeting

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

Explain why:

The proposed project is road Infrastructure project aimed to construct 61 Km Motorway connecting Gojra and Shorkot along Faisalabad Khanewal Motorway in central region of Punjab Province. The proposed project will have no direct link with poverty reduction. However, indirectly it will contribute to curbing poverty in and beyond the project corridor with increased access to socio-economic opportunities.

#### C. Poverty and Social Analysis

##### 1. Key issues and potential beneficiaries.

The country's national Gross domestic product per capita is \$1,386 with annual growth of 4.14%.<sup>5</sup> National poverty rate is 33% with urban rural disparity in poverty incidence as 18% and 46% of headcounts, while the population below the extreme poverty line is 21%. The Punjab (where project site is located) is least poor provinces in Pakistan with poverty incidence of 19% as compared to national level with urban rural disparity as 10% and 28% respectively. However, within the province, poverty levels are unequally distributed as the half of the province in south faces high incidence of poverty compared to very low incidence of poverty observed in the northern districts of the Province. The project alignment is located in two districts of central Punjab, i.e. District Toba Tek Singh and District Jhang with poverty head count index as 10% and 26% respectively (2012).<sup>6</sup> The Potential beneficiaries of the project are the local population, transport operators, freight forwarders and those involved in trading agriculture products, as with better connectivity through M-4 to access country wide it will lead to enhanced socio-economic networking.

##### 2. Impact channels and expected systemic changes:

The design includes traffic signs, markings, fencing, under passes and controlled exit-entry at interchanges for connectivity of inhabitants along both sides of M-4, which will improve road safety. It will produce several other benefits including lowered transportation costs, reduced travel time and reduced shipment time for edible/perishable agricultural products which will ultimately contribute to sustainable growth in economy. Besides, diversion of freight and intercity traffic from existing national highways to project motorway will reduce congestions on existing road resulting in improved speed and safety for local communities in the area.

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

Previously the project section was included as part of the MFF for National Trade Corridor Highway Investment Program (NTCHIP). The project design, poverty and socio-economic assessment, impact identification and

<sup>1</sup> Government of Pakistan, Planning Commission, Ministry of Planning and Development 2014. Pakistan Vision 2025, Islamabad

<sup>2</sup> Government of Pakistan, Ministry of Finance 2009 Poverty Reduction Strategy Paper (PRSP II), Islamabad

<sup>3</sup> ADB. 2014. Interim Country Partnership Strategy: Pakistan, 2014–2015. Manila.

<sup>4</sup> ADB. 2014. Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and Pacific. Manila.

<sup>5</sup> Government of Pakistan, Economic Survey of Pakistan 2013-14

<sup>6</sup> Sustainable Policy Development Institute: Clustered Deprivation: District Profile of Poverty in Pakistan Report 2012, Islamabad.

resettlement planning was carried-out under NTCHIP; hence no separate PPTA is provided.

**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?

Given the existing gender disparities in the country, Pakistan still ranks 146 out of 187 countries on the gender inequality index.<sup>7</sup> The overall labor force participation rate for women is only 24%, much lower than men's 81%.<sup>8</sup> Due to the socio-economic fabric of the country, women's participation in the formal economy is negligible; hence women's economic contribution is largely invisible. Road construction sector in Pakistan represents women far less than other sectors in the country. Due to the unfavorable working conditions, women feel more insecure and generally do not opt for a profession in the construction sector. It has also been observed that some socio-economic and cultural/religious constraints also hinder women's participation in the construction sector. The proposed project will have no disproportionate negative impacts on women during project implementation. Instead, under Land Acquisition and Resettlement Plan (LARP), women will be entitled for compensation of their impacted assets, resettlement and rehabilitation assistance and additional assistance to female-headed households (if identified).

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 ensure women's participation through a consultative process during implementation to voice their issues and concerns. Though women's participation in formal employment is subject to local customs and cultural practices, specific clauses will be included in the bidding documents for providing work opportunities for women and to ensure equal payment for equal work. Gender disaggregated data for the LARP will be collected to ensure affected women are provided with the compensation.

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 potential primary beneficiaries are transport operators, freight forwarders, traders, villagers and community groups (passengers and those having land and assets along the project corridor), government agencies such as National Highway Authority and Ministry of Communications. Adversely impacted stakeholders are primarily those who lose land or livelihood. However, the project offers a combination of cash compensation at replacement cost to all those affected by the project and allowances to rehabilitate and improve livelihoods.

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?

Focus group discussions, workshops, community mobilization, and consultations conducted for discussion on the environment and social safeguard issues, land acquisition and resettlement planning and implementation documentation, potential needs of the community and other social-related issues such as gender, HIV/AIDs, human trafficking, child labor etc.

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?

Information generation and sharing  Consultation  Collaboration  Partnership

The proposed project builds on the consultations and community participation meetings undertaken during the due diligence and LARP preparation phase. These included community participation for planning, design and implementation in project. Community consultations will also be carried over to the project implementation stages. Any CSOs/NGOs found present in the project area during project implementation will be identified and engaged in the process of project and LARP implementation to mitigate and or address any potential social/environmental issue.

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

<sup>7</sup> UNDP 2014, Human Development Report, Sustaining Human Progress: Reducing vulnerabilities and Building Resilience

<sup>8</sup> Pakistan Bureau of Statistics, Pakistan Employment Trends 2013

Meetings and focus groups discussions with community and displaced persons (DPs) have been conducted as part of the poverty and social analysis. These involved all relevant stakeholders including representatives of the poor and other socially excluded groups such as elderly and other vulnerable women to disseminate the information as well as obtain their feedback on issues related with project design and potential social impacts. Other key stakeholders such as the relevant line departments and local government representatives were also consulted. In addition to normal cash compensation for land and assets, vulnerability and livelihood restoration support has also been provided in the LARP for poor and vulnerable groups. More consultation meetings, where and when required, will also be undertaken with the affected households and communities during the course of LARP updating work including updating of census survey, inventory of losses and socioeconomic survey, etc.

#### 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 project requires an estimated 1,728 acres of residential, agricultural and commercial land with an estimated 3,966 people losing land and/or non-land assets. The impact analysis reflects that (i) 23 households losing 100% of residential structures will be physically displaced and 5 households losing business structures will face economic displacement; and (ii) 892 household losing more than 10% of their productive arable land are deemed to be significantly affected.

##### 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

The project alignment crosses through country's main stream socio cultural region with no indigenous peoples or secluded groups as defined in SPS 2009 present in and around the project area.

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?

Road construction will create employment. Adherence to core labor standards and awareness campaigns on HIV/AIDS will be included in the construction contracts. NHA and supervision consultant will closely monitor this.

#### 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 they relevant specialists identified?  
 Yes  No N/A

The project executing agency has already engaged a firm as Land Acquisition and Resettlement Consultants (LAR Consultants) in this regard.

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 executing agency has engaged a firm as LAR Consultants which comprises a resettlement specialist, a sociologist and gender specialist, land and database experts and field enumerators.