

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Pakistan	Project Title:	Railway Sector Development Investment Program
Lending/Financing Modality:	Multitranche Financing Facility	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 proposed multi-tranche financing facility (MFF) aims to assist government of Pakistan (i) in rehabilitating existing tracks and yards and installing modern signaling and telecommunication systems between Lahore and Peshawar (461 Km) with realignment of the section between Kaluwal and Pindora (52 km); (ii) in developing comprehensive railway sector reform plan and (iii) in continuing its ongoing accounting system reforms.

The government's poverty reduction strategy, PRSP-II (2009–2011),<sup>2</sup> provides a framework that is valid beyond the 3-year term and recognizes that economic growth and service delivery are crucial in achieving inclusive growth and poverty reduction. The government's vision 2025<sup>3</sup> aims to create a globally competitive and prosperous country by modernization of transport infrastructure with greater regional connectivity and institutional reforms and modernization of the public sector. The project components to modernize physical infrastructure and institutional reforms are well aligned with the government's strategic agenda for efficient service delivery and better national and regional connectivity for accelerated and sustainable macroeconomic growth, generation of more economic activities and employment for providing a high quality of life for all its citizens.

The project is expected as a trigger of boosting freight transportation locally and region wide with increased economic opportunities and of helping people's travel, especially for the poor, as their additional travel mode to bus and private vehicles to access better socio-economic opportunities. It is in line with the ADB's Country Partnership Strategy (CPS), 2015–2019 that concentrates to improve connectivity, productivity, and access to markets and public services as a measure of accelerating inclusive economic growth and poverty reduction.

#### B. Poverty Targeting

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

The project aims to improve physical infrastructure and institutional reforms in Railway Sector for efficient, time saving and integrated transportation system for national and regional connectivity to facilitate development of a competitive economy. These interventions will help to provide an efficient, time saving and cost effective travel mode with more economic activity along project corridor and it will also create job opportunities during project implementation.

#### C. Poverty and Social Analysis

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

The country's per capita income with a significant growth rate of 9.25% in fiscal year 2014–2015 is recorded as US\$1,512 for (2014–2015)<sup>4</sup> Pakistan Economic Survey (2013–2014)<sup>5</sup> points out the latest National poverty incidence for year 2010–2011 as 12.4% with urban rural disparity in poverty incidence as 7.1% and 15.1% of headcounts respectively. Alongside the rural–urban disparity at the national level, poverty is unequally distributed across the provinces and across rural–urban population within each province. Mainly the areas with limited industrial and manufacturing activities, access to the basic social amenities and off-farm livelihood opportunities have the higher poverty incidence.

The potential beneficiaries of the project could be those involved in industrial and manufacturing activity, freight forwarding, and commerce and trading of agriculture products and the local communities who commute to the urban centers for accessing better socio-economic facilities. Besides, it will provide alternate income opportunities for the local communities living along the project corridor.

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

The Rail transport has a definite edge for long haul and mass scale traffic movement both for passenger and freight and it can play an important role in economic prosperity and social uplift of nations. The improved railway system with increased service reliability, enhanced speed and savings in travel time and costs will increase freight and passenger transportation through railway. Enhanced trading and transportation of agriculture products will support well being of the local farmers and those engaged in agricultural trade. Such an expected development will result in the increase of job opportunities and the improvement of the poor's livelihoods.

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

The PPTA team will conduct through poverty and social analysis of proposed subproject to identify particular issues and allocated for social safeguards and survey work including socio-economic assessment, poverty and social assessment, genders analysis, focus-group discussions and consultations. The social survey and analysis will help to determine the

<sup>1</sup> ADB. 2015. *Technical Assistance to Pakistan for Enabling Economic Corridors through Sustainable Transport Sector Development*. Manila.

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

<sup>3</sup> Government of Pakistan, Planning Commission Ministry of Planning and Development, 2014. *Pakistan Vision 2025*. Islamabad.

<sup>4</sup> Government of Pakistan, *Economic Survey of Pakistan 2014–2015*.

<sup>5</sup> Government of Pakistan, *Economic Survey of Pakistan 2013–2014*.

scope of poverty and social issues and accordingly mitigations measures/actions will be incorporated in the project design.  
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?

Gender inequality is evident in Pakistan, which has a Gender Development Index rank of 124 out of 155 countries and a gender gap rank of 132 out of 134 Asian countries.<sup>6</sup> In 2014-2015, the labor force participation rate of men and women was 68.07% and 22.17%, respectively. During this period, literacy rate for women in Pakistan was 47% vs. 70% for men.<sup>7</sup> The Transportation Infrastructure Rehabilitation projects will have no disproportionate negative impacts on women during implementation and operation. The women's participation in outdoor economic activity is limited so the direct economic benefits of the project on women are imperceptible. However, improved transportation facilities with reduce travel time and cost can help in improved access to the basic amenities and boost social networking of 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.

Except provision of improved transportation facilities and services, it is envisaged that project will have very limited direct gender related intervention. During PPTA implementation, the gender issues and available opportunities to access and use the opportunities, services and resources will be assessed and if required will be incorporated in the project design. Specific clauses will be included in the project and bidding documents for provision of employment and work opportunities with equality in payments for equal work during implementation of project.

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)  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 public institution (Ministry of Railway, Pakistan Railway Department, Local Government Departments with other law enforcing agencies like Railway Police) and project beneficiaries including business community and traders, freight forwarders, transport operators as well as passengers and the local community having their assets landed and non landed in project corridor and affected persons. Stakeholders participation will be ensured through (i) consultations, focus group discussions and information sharing meetings; (ii) project awareness campaigns; and (iii) engagement of local people in project related works and jobs etc.

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?

Through consultations, focus group discussions and in-depth interviews with different stakeholders, project impacts will be assessed by PPTA social safeguards team. The potential requirements of community (particularly the poor) and other social issues that need to be addressed will be assessed and entitlement provisions and mitigation measures will be made in project planning and design documents including LARF, LARP, and Poverty and Social analysis reports and bidding 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?

(M) Information generation and sharing  (M) Consultation  (L) Collaboration  (N) Partnership

Key Civil Society Organizations active in the project area will be identified and engaged during consultative process by PPTA and the Implementing Agency during project execution.

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

Acquisition of land and assets including clearance of encroached RoW may have disproportionate impacts on the poor due to their fragile income levels. During socio-economic and poverty analysis surveys (sample based) PPTA will conduct meaning full consultations, group discussions and individual interview for assessment of issues and suggest mitigations and livelihood restoration measures, contract provisions to be incorporated in bidding documents.

## 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

<sup>6</sup> Social Policy and Development Centre (SPDC). 2009. Social Development in Pakistan, Annual Review Women at Work 2007–2008. Karachi.

<sup>7</sup> Government of Pakistan, Economic Survey of Pakistan 2014-15.

The MFF is aimed at rehabilitate and dualize Lahore–Peshawar (460 Km) railway track with realignment of its 53 Km section in hilly tract from Kaluwal to Pindora. Except for realignment sections in hilly tract, it is likely that, all works, for rehabilitation and upgradation of the physical infrastructure will be limited to the PR owned RoW.

Under proposed MFF, tranche-1 project will include rehabilitation and dualization of Railway Track (173 Km) from Peshawar to Rawalpindi section with installation of modern signaling and communication system. Pakistan Railway's secured ROW (30 to 50 meter in average for plain and hilly regions) is adequate for smooth execution of the project works, but at two locations in hilly region, proposed new tunnels for double track may require realignment of approaching tracks. This can necessitate permanent acquisition of RoW through uninhabited hilly land which mostly is state owned. Elsewhere, impacts are perceived particularly along existing railway stations or in the areas where the railway tracks passes through settlements<sup>8</sup> or at level crossing locations. Nonetheless, such impacts are mostly limited to PR owned infrastructure, but it is likely that ROW clearance in such areas may impact about 15 residential and commercial structures. Keeping in view perceived impacts, the IR category B is justified for Tranche-1 project at this early stage. The PPTA Resettlement Specialists (International and National staff) will study the LAR impacts in detail and accordingly the IR category will be confirmed and LARF for MFF and the LARP for tranche-1 project will be prepared.

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

Information available so far demonstrate that indigenous people as defined under ADB's SPS are not living in the Project area, so expected IP category is C. However, PPTA Social Development and Resettlement team will carry out a detailed survey to assess presence of indigenous people and extent of impacts (if any) to them. Based on PPTA's assessment, the project IR category (if required) will be revised and Indigenous People Planning documents will be prepared accordingly.

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?

- (L) Creating decent jobs and employment  (M) Adhering to core labor standards  (L) 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?

The institutional reforms are limited to ongoing accounting system reforms in PR and labor retrenchment is unlikely. Rather, with the improved and reliable railway system more job opportunities (formal and informal) are envisaged. The PPTA will assess the social issues and risks, potential for project related employment, and accordingly the requirement to comply with core labor standards, preference for local labor and provisions on awareness campaigns on HIV/AIDS will be included in the bidding documents and 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?

PPTA consultants will be recruited to conducting feasibility assessment including preliminary engineering design, technical, financial, environmental and social assessment of the project and preparation of Poverty and Social Analysis report, LARPs and IEE/EIA for tranche projects and Design the MFF. The PPTA consultant's team includes (i) Social Development and Gender Specialist (International and National staff) to conduct poverty and social assessment and Gender analysis of the project affected communities; The Resettlement Specialist (International and National staff) will assess the impacts on land and land based assets for preparation of LARF and LARPs of the project. The PPTA budget includes consultants' remuneration and field survey costs for impacts assessment and reports preparation.

<sup>8</sup> The project alignment passes through cities of Peshawar, Pabi, Amangarh, Nowshehra, Akora Khatak and Khairabad in KPK and Attock, Hassanabadal, Wah and Taxila Cantt, and Rawalpindi in Punjab, as well as Golra in Islamabad (Federal Territories).