INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Islamic Republic of Pakistan (PAK)	Project Title:	Integrated Information and Communications Technology Development Project
Lending/Financing Modality:	Project	Department/ Division:	Central and West Asia Department, Urban and Water Division

I.   POVERTY IMPACT AND SOCIAL DIMENSIONS
A.   Links to the National Poverty Reduction Strategy and Country Partnership Strategy
Pakistan's Vision 2025 has identified seven priority areas for development interventions. The first pillar focuses on developing social and human capital and empowering women. This pillar is directly linked to Sustainable Development Goals (SDGs) 1 (poverty), 3 (health), 4 (education) and 5 (gender). The sixth pillar is on creating knowledge economy. This envisages creating a competitive economy through value chain addition that helps create new decent jobs and help inclusive growth. This is linked to SDGs 9 (innovation) and 3 (education). Further, the vision document proposes to establish an export led growth strategy to attain 8% growth rate between 2018 and 2025 with single digit inflation. The export targets set to be achieved by 2025 is $150 billion from current $25 billion. This export driven economy will enhance Pakistan's capacity to increase expenditure on social sector which is critical to reduce poverty. With this intervention, Pakistan estimates to reduce the incidences of poverty by half. The vision 2025 also commits to undertake institutional reforms. It anticipates that improved governance will allow higher returns on investment and will be conducive to poverty reduction through better delivery of social services. The proposed project is aligned with Asian Development Bank's (ADB's) existing country partnership strategy for Pakistan, which supports new knowledge solutions for supporting sector policy and government's policies in specific areas, such as the development of economic corridors.[1] The project will promote economic inclusion and sustainable livelihoods of the poor and vulnerable groups by providing systems, services, and skills in new technology areas in information and communication technology (ICT). According to 2015 Human Development Report of United Nations, the economic order of this decade is converging on knowledge based economy propelled by digital revolution. In 2012, the global trade in knowledge intensive goods and services worth nearly $13 trillion—grew 1.3 times faster than trade in labor intensive goods and services.
B.   Targeting Classification
☒General Intervention ☐Individual or Household (TI-H) ☐Geographic (TI-G) ☒ SDG (Goal 2) Pakistan's population is projected to increase to over 227 million by 2025. The population will comprise a much larger proportion of younger people. About 63% of population is projected to be below the age of 30. These demographic projections raise several issues for the country. This necessitates Pakistan to generate the required number of jobs, through sustained high inclusive growth. Not addressing issues regarding channelizing youth skills and employability in modern economic order, the Vision 2025 document foresees serious threats to the country's stability. The proposed project supports larger sections of society at national level.
C.   Poverty and Social Analysis
1. Key issues and potential beneficiaries. Pakistan has lagged its regional powers in taking advantage of the new growth opportunities created in technology enabled space. The potential beneficiaries of the intervention include youths of Pakistan and vulnerable sections of the society who lacks efficient access and reach of public services in the country.
2. Impact channels and expected systemic changes. It is intended that youths, including the poor and vulnerable households will benefit from the project directly as participants in services provided under the project, in particular the ICT skills development, smart system pilots and ICT parks. The transaction technical assistance (TRTA) will assess the needs of the stakeholders including the poor and vulnerable households regarding relevant services, and propose design solutions together with potential beneficiaries.
3. Focus of (and resources allocated in) the TRTA or due diligence. The TRTA social development specialists will focus on accessing the project benefits.
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? Women employees constitute significant portion of ICT employment. The issues faced by women in the ICT sector relate to career growth, equal opportunities for skills development in new ICTs, and glass ceilings. The TRTA will identify specific gender issues that need to be addressed under the project.

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[1] ADB. 2016. Country Partnership Strategy. Pakistan (2015-2019)

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 TRTA will undertake design of institutional mechanisms to undertake women leadership initiatives in ICT sector of Pakistan.

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

☐ Yes   ☒ No   Please explain

No adverse gender impacts are expected under the project.

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 major stakeholders for IT parks are ICT industry in Pakistan, the trade and commerce, finance and higher education representatives. The smart solutions focus on improving citizen services in public service delivery. The participants include various sections of the civil society where these measures will be piloted. The stakeholders for skills development component include participating higher education institutions and industry associations. The TRTA will identify relevant stakeholders and prepare a consultation and participation plan to engage key stakeholders.

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?

The project will include design features to ensure that citizen, particularly the poor households receives tangible benefits in programs associated with piloting of smart solutions and IT parks. Care will be exercised in ensuring youths from underprivileged sections are included in skills development projects.

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 (H) ☒ Consultation (H) ☒ Collaboration (M) ☒ 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?

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

Project activities will occur on lands owned by Government (or implementing agencies).

2. What action plan is required to address involuntary resettlement as part of the TRTA or due diligence process?

☒ Resettlement plan   ☐ Resettlement framework   ☐ Social impact matrix
☐ Environmental and social management system arrangement   ☐ Land Use Rights Transfer Due Diligence
                                                                                                             Report

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   ☐ Not Known

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

No activities under the project demand broad community support under the SPS.

4. What action plan is required to address risks to indigenous peoples as part of the TRTA or due diligence process?

☒ Indigenous peoples plan (if needed)   ☐ 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 (L)   ☐ Labor retrenchment
☐ Spread of communicable diseases, including HIV/AIDS   ☐ Increase in human trafficking ☐ Affordability (L)
☐ 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? Under the TRTA, social assessment will be undertaken and social and gender action plan will be developed to ensure employment opportunities created are targeting local population and poor and vulnerable households, and that applicable national and international core labor standards are applied.

VI.   TRTA OR DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the terms of reference for the TRTA (or other due diligence) contain key information needed to be gathered during TRTA 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

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 TRTA or due diligence? One international and one national social development specialist, a social safeguards specialist and budget for surveys.