

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Pakistan	Project Title:	Regional Improving Border Services 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 Project Loan is aimed to improve the existing Border Crossing Point in single window system leading to one stop BCP with supportive infrastructure, legal, institutional frameworks and improved capacity of BCP operators. Out of six BCPs (Torkham and Chaman at Afghanistan Border, Wagha and Khokhra Par at Indian Border, Sost at China and Taftan at Iran Borders) 3 BCPs Torkham, Chaman, and Wagha being key gateways to Central Asia and South Asia are selected for inclusion in the ensuing investment project due to existing and potential trade and traffic volumes.

Strategic location of Pakistan to connect South Asia with land locked Central Asia and further to South Caucasus Countries and Europe provides a large potential to play a role as regional transport hub. GoP realizing this potential is committed to invest in improving the transportation infrastructures and facilities for regional connectivity which is aligned with the principles of Vision 2030 and Medium Term Development Framework 2005–2010 to meet the objectives of sustainable economic growth and increased Pakistan's competitiveness to secure a growing share of regional and global markets. Government's 'National Trade Corridor' (NTC) Improvement Program linking Pakistan's major ports with its main industrial centers and neighboring countries is a step forward to improve the trade and transport logistics chain to foster the economic benefits. Besides, regional trade is identified as most important element of three years Strategic Trade Policy Framework announced in 2013 for economic development. The proposed investment was relevant to the 2020 ADB's Long Term Strategic Framework and the 2009–2013 ADB's Country Partnership Strategy for Pakistan.

The Government of Pakistan's Poverty Reduction Strategy PRSP-II (FY2008/09–FY2010/11), provides a framework beyond three years timeframe. The Poverty Reduction Strategy is built upon nine pillars: (i) macroeconomic stability and real sector growth; (ii) protecting the poor and the vulnerable; (iii) increasing productivity and value addition in agriculture; (iv) integrated energy development program; (v) making industry internationally competitive; (vi) human development for the 21st century; (vii) removing infrastructure bottlenecks through public private partnerships; (viii) capital and finance for development; and (ix) governance for a just and fair system. It recognizes that economic growth and service delivery are crucial for poverty reduction. Infrastructure development leading to regional connectivity and one stop border crossing points are critical as a catalyst for accelerated growth in regional and transit trade generating economic activity and employment along the trade corridors.

Increased trade with neighboring countries and the tariffs collected for transit trade facility to regional countries will contribute to macroeconomic stability and reduced risks of shocks for the vulnerable poor. Reduced Transportation time and waiting intervals at border crossing points will also support regional trade of agricultural commodities helping in socio-economic uplift of the rural areas with improved agricultural resource base of the rural areas where the majority of Pakistan's population and the poor reside. In support of the PRSP-II, the Asian Development Bank (ADB) recognizes the strategic role of Cross Border Points with improved infrastructure to promote regional trade in contributing to macroeconomic growth leading to an increase in social spending that benefits the poor.

B. Targeting Classification

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

Explain why:

The improved Border Crossing Point facilities with supportive physical infrastructure including waiting areas for immigrants and parking areas for freight transport with enabling institutional and legal framework will help in reduced waiting time, lowered transportation costs resulting in socio-economic welfare of the immigrants and the traders. However, the project has no direct poverty reduction impacts, hence classified as general intervention.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

The Potential beneficiaries of the project are the immigrants, traders, transport operators, freight forwarders etc. The key issues may include availability of proper basic infrastructure like immigration desks for speedy scrutiny of immigration documents, waiting rooms with sufficient capacity and facilities, container/vehicle and baggage scanners, explosive scanners, weighing scale for containers to facilitate speedy checking and clearance of the immigrants and trade goods to minimize the lag time and operating transportation costs etc.

2. Impact channels and expected systemic changes.

Single window system BCP's with improved infrastructure, institutional and legal frameworks as well as capacity of the BCP operators will help to overcome the major bottlenecks and promote smooth and fast cross border movement of people and efficient handling of transit trade as envisaged in APTTA signed in 2010. It will produce several other benefits including lowered transportation costs, reduced stopping time to wait for start of border crossing formalities and shipment time for perishable and edible/perishable items which will ultimately lead to sustainable growth in economy.

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

A project preparatory technical assistance (PPTA) of \$ 0.95 million is programmed. A team of international/national consultants comprising BCP Management Specialist (team leader) BCP, ICT Specialist, BCP Layout Design Engineer, Transport Economist, Financial Specialist, Social Development Specialist, Environment Specialist and Procurement Specialist 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?

No Specific Issues identified however, the PPTA Social Development Consultant will assess gender disaggregated access to facilities in project corridor. This will help in describing the status of women in the local communities and in devising potential measures to improve women's access to development initiative. Women will be encouraged to participate and obtain benefits during the project implementation phase including participating in the consultation meetings, and ensured to participate 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.

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 stake holders of the project include public institution (immigration, trade and commerce, customs, communication and transport departments with other law enforcing agencies responsible for security while operating BCPs), project beneficiaries (e.g. business groups having strong collaboration with western foreign investments, members of chamber of commerce and industry, immigrants/passengers crossing border, traders, freight forwarders and transport operators) and the local community having their assets landed and non landed in close proximity of the BCP's. The stakeholder's participation in project design will be ensured through meaning full consultation during due diligence process by adopting tools like stakeholders analysis, structured focus group discussions and detailed individual interviews 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?

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 consultations with line Government Departments, Non Government Organizations, Research institutes, facility users/beneficiaries, and at the household and community level near BCP's. 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?

Due to security situation at border crossing points, especially on western borders (Torkham and Chaman), the existence and role of CSOs and CBOs is quiet limited at project location. However as part of due diligence, the PPTA Consultants (Social Development Specialists) will identify and determine role and participation level of all key stakeholders including CSOs and CBOs working in the project area. Based on stakeholder's analysis, structured consultation will be carried out through focus group discussions and individual interviews with identified key CSOs and CBOs and other stakeholders for information sharing and ensuring community needs and suggestions are incorporated during project design and implementation.

Information generation and sharing Consultation Collaboration 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? 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 envisaged development activities on selected BCPs are proposed to be implemented within the already available land however it is apprehended that land acquisition and resettlement issues may popup during design phase. Keeping this in view, initially the project is categorized as B and adequate input of Social Development Consultants is proposed in PPTA. The PPTA Team will make detailed poverty and social assessment, identification of negative impacts on land and non-land assets, assessment and valuation of lost assets based on design of selected BCP, and prepare resettlement plan in consultation with the stakeholders and displaced persons.

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

There is no indigenous people in the potential project area around Torkham, KPK, Chaman, Balochistan, and Wagha, Punjab.

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 (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 PPTA or due diligence? Consultants