

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Pakistan	Project Title:	Central Asia Regional Economic Cooperation (CAREC) Corridor Development Investment Program—Project 1
Lending/Financing Modality:	MFF	Department/Division:	Central and West Asia Department Transport and Communications Division

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY
Targeting classification: General intervention
<p>A. Links to the National Poverty Reduction and Inclusive Growth Strategy and Country Partnership Strategy</p> <p>Pakistan is strategically located to play a potential role as regional transport and trade hub by connecting landlocked central Asian countries with Pakistan’s sea ports and South Asia through its CAREC corridors 5 and 6. The proposed investment program aims to improve road infrastructure for enhanced trade and traffic from surrounding countries leading toward sustainable economic growth, which is aligned with pillar VII of Pakistan Vision 2025.^a</p> <p>The investment program is also consistent with Pakistan’s Poverty Reduction Strategy, 2009–2011,^b which recognizes that economic growth and service delivery are crucial for inclusive growth and poverty reduction. Improved CAREC corridors will be a catalyst for accelerated growth in regional trade and commerce and sustainable macroeconomic development in Pakistan. Increased trade and traffic will result in more business opportunities and improved revenue generation and employment resource base. Enhanced regional traffic and trade volumes will contribute to macroeconomic stability and increase social spending to benefit the poor with reduced risks of shocks to vulnerable people. Those goals are in line with the ADB’s Strategy 2020 and the Pakistan country partnership strategy for 2015–2019,^c which stresses inclusive growth through infrastructure development for improved connectivity, enhanced productivity, and access to markets and public services.</p>
<p>B. Results from the Poverty and Social Analysis during PPTA or Due Diligence</p> <p>1. Key poverty and social issues. The country’s national gross domestic product has crossed \$300 billion with annual economic growth rate of 5.28% and per capita income is \$1,629 (2016–2017).^d The Pakistan Economic Survey 2015–16 reports the latest multidimensional poverty incidence at 38.8% for 2015, with a disparity of 9.43% (urban) and 54.6% (rural) based on headcount. Poverty is unequally distributed across the four provinces of Pakistan and among rural urban populations. The multidimensional poverty incidence for Punjab province is 31.5%. This is followed by Sindh with 43.2%, Khyber Pakhtunkhwa with 49.1%, and Balochistan with 71% (2015–2016).^e Areas with limited access to basic social amenities and off-farm livelihood opportunities have higher poverty incidences. Factors that affect the livelihood of the poor include (i) low literacy; (ii) lack of access to employment opportunities; (iii) exclusion from benefit of development projects. Classified as <i>general intervention</i>, the investment program will indirectly contribute to curb poverty through an improved road network, i.e., improved connectivity, increased regional transportation and trade with potential for growth in business and service sectors that will help increase employment opportunities and generate revenue to improve basic service delivery.</p> <p>2. Beneficiaries. The main direct beneficiaries are agricultural traders’ freight forwarders, transporters, commuters and those living and working along the project road sections. Indirect beneficiaries include large sectors of the population who will gain from more employment opportunities in trade and transport business and ready access to markets and resources across the country.</p> <p>3. Impact channels. With an improved road network, the investment program is expected to contribute to sustainable economic growth through (i) incremental regional trade and transport, (ii) lower shipment time and costs, (iii) increased trade flows with reduced travel costs, and (iv) improved interprovincial and regional connectivity. The local population will get employment opportunities during the construction and operation phases of projects.</p> <p>4. Design features. The investment program will increase economic growth by providing the shortest north–south trade route and enabling trade and traffic along the CAREC corridors. The improved infrastructure and transport facilities will contribute to enhanced regional trade; sustainable economic opportunities; and better access to markets, social services, and community networking for the local population.</p>
II. PARTICIPATION AND EMPOWERING THE POOR
<p>1. Participatory approaches and project activities. Multiple rounds of public consultations were held by technical assistance consultants during project preparation. Local authorities and relevant government departments, traders, freight forwarders, transporters, and commuters were engaged to design the investment facility and packaging of tranche projects. Sessions were held with potentially displaced persons including poor and vulnerable households between January–April 2017. Mitigations were incorporated in the preliminary design to avoid or minimize involuntary resettlement impacts, as well as LAR impacts; eligibility and entitlements were explained. Consultation, participation and information disclosure strategy were designed and incorporated in the LARPs for continued consultation process with affected persons and communities and other stakeholders, including poor and vulnerable people.</p> <p>2. There is limited scope for civil society organizations to participate and contribute in project design. However, NHA will collaborate and consult with civil society organizations during detailed design and assess their role and level of participation in the planning, implementation, and monitoring of LARPs.</p>

<p>3. Civil society organizations. The project safeguard team in project implementation unit assisted by resettlement specialists under the supervision consultants will liaise with local communities and civil society organizations for the consultation, participation, and information disclosure on project design and LAR progress, recording and redress of grievances, LARP implementation, monitoring and execution of project works, etc.</p> <p>4. The following forms of civil society organization participation are envisaged during project implementation, rated as high (H), medium (M), low (L), or not applicable (NA): <input checked="" type="checkbox"/> (H) Information gathering and sharing <input checked="" type="checkbox"/> (H) Consultation <input checked="" type="checkbox"/> (L) Collaboration <input checked="" type="checkbox"/> (N) Partnership</p> <p>5. Participation plan. <input checked="" type="checkbox"/> Yes. <input type="checkbox"/> No. A project communication strategy on consultation, participation, and information disclosure is designed and included in draft LARPs to ensure stakeholders, particularly poor and vulnerable people, are engaged during the consultative process and are informed on resettlement planning, implementation, monitoring, and resolving grievances.</p>
<p>III. GENDER AND DEVELOPMENT</p>
<p>Gender mainstreaming category: No gender elements (NGE)</p> <p>A. Key issues. Gender inequality is evident in Pakistan, which has a gender inequality index ranking of 130 out of 159 countries in 2015. The female human development index for Pakistan is 0.452 in contrast with 0.610 for males, resulting in a gender development index of 0.742, which is lower than India and Bangladesh.^f The labor force participation rate of women is 15.8% compared to 48.1% for men. Literacy rate for women in Pakistan is 49% versus 70% for men. Land rights are challenging for poor men and even more challenging for women who are usually denied inheritance and property rights. With invisible contribution in household income, women become invisible in the compensation process. Cultural traditions limit women's mobility and women's roles are more often relegated to housework rather than remunerated work outside of their homes. Poor road conditions and lack of facilities addressing women's needs and safety on the roads exacerbate women's limited mobility. However, project design and implementation will ensure that women are given the space to participate in consultative process and raise their concerns, as well as provide job opportunities for women during project implementation, subject to local customs and cultural practices. Women will benefit from the program through improved access to basic social services such as health, education, and social networking facilities. Additional assistance to households headed by women will be provided as part of the resettlement plan.</p> <p>B. Key actions. The nature of the project and the local social context mean that opportunities for gender design elements are limited. Nonetheless, the following principles will be adopted when designing and implementing the project to ensure women participation in project actions: (i) affirmative action for women's employment in project-related jobs, (ii) grievance mechanism will be gender-sensitive and cater to women's needs, and (iii) gender-sensitive consultations during project implementation and monitoring phases. <input type="checkbox"/> Gender action plan <input type="checkbox"/> Other actions or measures <input checked="" type="checkbox"/> No action or measure</p>
<p>IV. ADDRESSING SOCIAL SAFEGUARD ISSUES</p>
<p>A. Involuntary Resettlement Safeguard Category: <input checked="" type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Key impacts. Project 1 will acquire 512,737.1 m² of land (189,393.0 m² for Petaro–Sehwan section and 323,344.1 m² for Ratodero–Shikarpur section) and permanently affect 140 structures (59 residential structures and 71 commercial structures)⁹ located within the right-of-way. About 356 households (with 2,411 members) will be affected. Of these, 548 persons will experience significant resettlement impacts, of which 412 persons will be physically displaced while 136 persons will lose 10% or more of their productive assets.</p> <p>2. Strategy to address the impacts. Based on census and inventory of losses, two draft LARPs were prepared for tranche 1 subprojects with LAR impacts. These will be updated based on the detailed design and will be disclosed. A grievance redress mechanism will be established and consultation process will be continued throughout the project implementation period. An external monitoring agent will be hired to monitor and evaluate the LARP implementation and suggest corrective actions wherever required.</p> <p>3. Plan or other Actions <input checked="" type="checkbox"/> Resettlement plan <input checked="" type="checkbox"/> Resettlement framework</p>
<p>B. Indigenous Peoples Safeguard Category: <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Key impacts. The project road sections traverses through settled areas of Sindh and Khyber Pakhtunkhwa provinces and tribal group with secluded cultural, socioeconomic, and administrative institutions different than mainstream population were not identified. Is broad community support triggered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No.</p> <p>2. Strategy to address the impacts. None</p> <p>3. Plan or other actions. <input checked="" type="checkbox"/> No action</p>
<p>V. ADDRESSING OTHER SOCIAL RISKS</p>
<p>A. Risks in the Labor Market</p> <p>1. Relevance of the project for the country's or region's or sector's labor market, indicated as high (H), medium (M), and low or not significant (L). <input checked="" type="checkbox"/> (L) unemployment <input checked="" type="checkbox"/> (L) underemployment <input checked="" type="checkbox"/> (L) retrenchment <input checked="" type="checkbox"/> (L) core labor standards</p> <p>In 2012 the US Department of Labor noted that Pakistan made a moderate advancement in efforts to eliminate the worst forms of child labor and children are enrolled in schools by launching Waseela-e-Taleem initiative under the</p>

ADB-supported Benazir Income Support Program.^h Risks in the labor market will be monitored by supervision consultants.

2. Labor market impact. The project will impact positively on the local labor market; it will recruit low-skilled and unskilled labor for construction activities and project-based services. Improved transport and trade will provide more business and work opportunities for the local community. Specific provisions on core labor standards, child labor and illicit labor practices, and equality in wages for men and women will be specified in the bidding documents and civil works contracts to comply with national laws and ILO's core labor standards.

B. Affordability

The project highway with nominal toll rates (less than \$1/100 kilometers for long-distance vehicles) will mostly serve as a free access road to allow locals to benefit from civic amenities and market their agricultural produce in nearby urban centers. Further project implementation will result in improved employment opportunities and reduced travel time and costs without any perceivable adverse impacts on livelihood sources.

C. Communicable Diseases and Other Social Risks

1. The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA):

(L) Communicable diseases (L) Human trafficking (L) Others: None

2. Risks to people in project area. The HIV/AIDS prevalence rate in the country is 0.10% (2011)ⁱ and considered relatively low. However, epidemic is primarily concentrated among people who inject drugs with a national prevalence of 27.2%, followed by *hijra* (transgender) sex workers (5.2%), male sex workers (1.6%), and female sex workers (0.6%). The geographic trend of key populations is from major urban cities but expanding over time to smaller cities and peripheries.^j Likely intrusion of outside workers and improved connectivity will increase risks of expanding the epidemic in project corridors. Contractors will be obligated to include specific provisions in the bidding and contract documents to mitigate such risks through awareness-raising campaigns targeting workers and local populations. During and after implementation, region-wide population movements into the project areas are expected, which may increase the risk of human trafficking. The risks for women and children may be particularly aggravated because of high poverty incidence in rural areas along the project road sections. These risks will be addressed and minimized through awareness campaigns targeting construction workers and local populations during implementation. Required measures will be included in the bidding documents for civil works.

VI. MONITORING AND EVALUATION

1. Targets and indicators. LAR activities fully compliant with SPS 2009 requirements and the project generated employment for skilled and unskilled local workers fully consistent with national laws and ADB's core labor standards (2006). Consultations and awareness-raising campaigns on STDs, HIV/AIDS, and other social issues will be conducted regularly for construction workers and local populations.

2. Required human resources. NHA will establish project management and project implementation units assisted by EALS staff and resettlement specialists of the construction supervision consultants for LARP implementation and monitoring. An external monitoring agent will be engaged to validate internal monitoring results and conduct independent monitoring and evaluation of LARPs. The supervision consultants will maintain a record of contractor's compliance with the core labor standards, awareness campaigns on HIV/AIDS, and other civil works related social issues.

3. Information in the project administration manual. Sections VII and VIII on safeguards and gender issues incorporated in Facility Administration Manual.

4. Monitoring tools. Internal and external monitoring tools as stipulated in project documents including loan agreement and LARPs. NHA will submit biannual social safeguard monitoring reports to ADB to present implementation progress, social or resettlement issues of concern, and required actions to ensure compliance with the SPS 2009 and loan covenants. Social monitoring reports will be disclosed on NHA and ADB websites regularly.

ADB = Asian Development Bank, CAREC = Central Asia Regional Economic Cooperation, LAR = land acquisition and resettlement, LARP = land acquisition and resettlement plan, NHA = National Highway Authority

^a Government of Pakistan, Ministry of Planning and Development. 2014. *Pakistan Vision 2025*. Islamabad.

^b Government of Pakistan, Ministry of Finance. 2009. *Poverty Reduction Strategy Paper (PRSP II)*. Islamabad.

^c ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank, 2008–2020*. Manila; and ADB. 2015. *Country Partnership Strategy: Pakistan, 2015–2019*. Manila.

^d Government of Pakistan, Ministry of Finance. *Pakistan Economic Survey 2016–17*. Islamabad.

^e Government of Pakistan, Ministry of Finance. *Pakistan Economic Survey 2015–16*. Islamabad.

^f UNDP. 2015. *Human Development Report 2015*. New York.

^g The Petaro–Sehwan section will affect 18 residential, 41 commercial structures (25 shops and/or restaurants, 15 kiosk and/or thatched sheds, and 1 fuel filling station logo with fence), and 16 temporary structures. The Ratodero–Shikarpur section will affect 41 residential structures and 38 commercial structures (19 shops and/or restaurants, 13 kiosks and/or thatched sheds, and 6 fuel filling station logos with fences).

^h US Department of State. 2013. *Trafficking in Persons Report 2013*. Washington, DC.

ⁱ National Aids Control Program. 2011. *HIV Second Generation Surveillance in Pakistan: National Report Round IV*. Islamabad.

^j National Aids Control Program. <http://www.nacp.gov.pk/>.