

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Afghanistan	Project Title:	Horticulture Value Chain Development Sector Project
Lending/Financing Modality:	Sector financing (grant)	Department/Division:	Central and West Asia Department Environment, Natural Resources, and Agriculture Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy

The proposed project is aligned with the Afghanistan National Development Strategy (ANDS)^a and the Afghanistan National Peace and Development Framework (ANPDF) 2017–2021,^b which recognizes the need to sustain high growth rates in the medium term to generate employment and reduce poverty. Both the ANDS and ANPDF recognize that the key to poverty reduction should be the development of agriculture and water resources to ensure the social, economic, and political well-being of rural people. Various sector strategy documents elaborate the ANDS and ANPDF in strategy implementation towards poverty reduction. The National Agriculture Development Framework (NADF)^c outlines the Government's strategic framework in agriculture including four programmatic pillars: (i) agriculture production and productivity, (ii) economic regeneration, (iii) natural resource management, and (iv) change management. Within the agriculture production and productivity pillar, the horticulture subprogram framework emphasizes two areas of strategic focus: (i) perennial horticulture, which includes fruits, nuts, and grape products; and (ii) annual horticulture, which includes vegetables, flowers, annual fruits, and specialty crops. To develop perennial horticulture, key long-term development areas of focus are identified and are broadly introduced including support for orchard rehabilitation and comprehensive horticulture planting and enhancement of market oriented and market intelligence strategies. The National Comprehensive Agriculture Development Priority Program 2016-2020 also highlights horticulture value chain development as one of its seven strategic priorities.^d

The Afghanistan country partnership strategy (CPS), 2009–2013, which is extended in the Interim CPS, 2014–2015,^e is fully aligned with priorities and planned outcomes of the ANDS and subsequently, the ANPDF. ADB's ongoing and future investments will continue to support Afghanistan's economic growth, thus contributing to the country's economic and social development and poverty reduction. At the government's request, and in line with ADB's Strategy 2020, ADB's assistance to Afghanistan will continue to focus on a limited number of priority sectors and subsectors including irrigation and water resource management. The project is thus fully in line with the ADB Strategy 2020. As Afghanistan is a fragile and conflict-affected country, ADB's approach needs to be flexible and utilize a peace-building approach.

The project will be aligned with the following impact of the National Comprehensive Agriculture Development Priority Program 2016–2020, namely "food and nutrition security, a balanced economic growth through agriculture, resulting in stability and economic empowerment of women and men."

B. Poverty Targeting

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

The project will contribute to SDG2 (namely, end hunger, achieve food security and improved nutrition, and promote sustainable agriculture) and SDG9 (namely, build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation).

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

Poverty is widespread in Afghanistan. The poverty head count rate is 39.0% and 33.0% of the population is food insecure.^f The percentage of food insecure population is 33.0%; the food insecurity figures indicate 72.7% for Badakhshan, 71.8% for Bamyān, 52.8% for Baghlan, 27.5% for Kunduz, and 34.8% for Takhar, largely due to low agricultural productivity and under-employment. The average gross domestic product per capita during 2011–2016 was \$630, making Afghanistan to rank 168th out of 183 countries reviewed by the World Bank.^g Accounting for 23% of gross domestic product,^h agriculture is Afghanistan's major source of livelihood, and employs 79% of the national workforce.ⁱ Nineteen (19) million people (nearly 60% of the population of 32.5 million) live in rural areas, where the incidence of poverty is most critical. Thus, enhanced agricultural and rural economic growth is essential for sustained improvement in national livelihoods.

The proposed project will help enhance the horticulture value chain development in key high-value production zones in the Central Region of Afghanistan. Potential beneficiaries will include horticulture farm owners and/or operators and businesses through increased access to better irrigation, production facilities and technologies, storages, and marketing to expand their businesses and improve economic opportunities.

2. Impact channels and expected systemic changes.

Yields, cropping intensity, and irrigated areas will increase, because of more secure supply of water, better production, and post-harvest facilities. It is likely that there will also be a change to crops that are economically more profitable. Agricultural productivity and incomes will rise, with a reduction of those living below the poverty line. Thanks to the multiplier effect, this extra income will also increase the income of the non-agricultural sector. The proposed value chain development will help increase production of high-value horticulture crops, reduce post-harvest losses, and hence increase volume of horticulture products to be marketed both domestically and abroad, particularly during the off-season period. Thus, other things being equal, profitability of farmers and agribusiness enterprises will be improved.

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

International and national consultants will be engaged to prepare the project design. The proposed project has potential impact on poverty reduction and the TA consultant team will explore ways to maximize this impact.

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?

Afghan women's role in the agricultural sector is a paradox. Despite being major players of the sector, accounting for nearly 43% of the sector's labor force, Afghan women remain in the periphery with limited access to productive resources. The National Risks and Vulnerability Assessment (NRVA) of 2011–2012 stated concerns at the increasing food insecurity since the last NRVA of 2007–2008 (from 28.2% to 30.1%), and 40% of female headed households are food insecure as against 27% male headed households. In this context, the empowerment of women is fundamental to reduce poverty, hunger, and improve food security.

Because of the existing conservative society in Afghanistan, and with worsening insurgent activities in some proposed project area, there are significant challenges to increasing women's involvement in project activities. Women have several concerns such as lack of food, income, work opportunities, health facilities, potable water, and the freedom to work on income generation projects due mainly to cultural reasons. However, apart from household duties, women have roles in livestock raising and production of vegetables and fruits on family plots. In this regard, the TA consultants will explore the opportunities to enhance women's skills and participation in horticulture production activities.

2. Does the proposed project or program have the potential to contribute 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

During PPTA, opportunities to enhance rural women's employment through horticulture value chain development will be explored.

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

Yes No

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 stakeholders of the project include horticulture farm owners and/or operators and businesses. Horticulture farm owners and/or operators and businesses will increase their access to better irrigation, production facilities and technologies, storages, and marketing to expand their businesses and improve economic opportunities.

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?

Consultations will be conducted with the poor, vulnerable, and excluded groups to assess their training needs. The TA consultants will explore if relevant training programs can be designed for these groups and be delivered during project implementation.

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? These will be examined by the TA consultants.

M Information generation and sharing M Consultation

M 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? Yes No

The TA consultants will examine various issues as appropriate.

IV. SOCIAL SAFEGUARDS
<p>A. Involuntary Resettlement Category <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Using the sector modality, priority subprojects will be screened and selected. A resettlement framework and a minimum of two representative subproject land acquisition and resettlement plans will be prepared in accordance with the relevant requirements of the ADB's Safeguard Policy Statement (SPS, 2009).</p> <p>2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process? <input checked="" type="checkbox"/> Resettlement plan <input checked="" type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None</p>
<p>B. Indigenous Peoples Category <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process? <input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Social Impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> None Afghanistan is inhabited by ethnic groups across its 34 provinces. None of these groups are considered indigenous peoples as defined in the SPS for operational purposes. Further, the project reconstructs and rehabilitates the existing infrastructure. Therefore, no impacts on indigenous peoples are envisaged.</p>
V. OTHER SOCIAL ISSUES AND RISKS
<p>1. What other social issues and risks should be considered in the project design? <input type="checkbox"/> Creating decent jobs and employment <input type="checkbox"/> Adhering to core labor standards <input type="checkbox"/> Labor retrenchment <input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS <input type="checkbox"/> Increase in human trafficking <input type="checkbox"/> Affordability <input type="checkbox"/> Increase in unplanned migration <input type="checkbox"/> Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability <input type="checkbox"/> Creating internal social conflicts <input type="checkbox"/> Others, please specify _____ The project will benefit underemployment on farms, and could increase the number of people working in the agricultural sector. During the construction phase, unskilled labor will be recruited on a temporary basis. No labor related risks are envisaged. Labor contracts will include provisions on non-discrimination and providing equal pay for work of equal value, and prohibiting the engagement of child labor and forced labor. There is little or no trafficking risk as the type of works will be small and localized, with community laborers mainly used.</p> <p>2. How are these additional social issues and risks going to be addressed in the project design? None.</p>
VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT
<p>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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>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? A social development and gender specialist (national) will be engaged to conduct social and gender analysis.</p>

^a Government of Afghanistan. 2010. *Afghanistan National Development Strategy: Prioritization and Implementation Plan Mid 2010–Mid 2013 (Volume 1)*. Kabul.

^b Government of Afghanistan. 2016. *Afghanistan National Peace and Development Framework 2017–2021*. Kabul.

^c Government of Afghanistan, Ministry of Agriculture, Irrigation, and Livestock. 2009. *National Agriculture Development Framework*. Kabul.

^d Government of Afghanistan, Ministry of Agriculture, Irrigation, and Livestock. 2016. *National Comprehensive Agriculture Development Priority Program 2016–2020*. Kabul.

^e ADB. 2014. *Interim Country Partnership Strategy: Afghanistan, 2014–2015*. Manila.

^f Government of Afghanistan, Central Statistics Organization. 2016. *Afghanistan Living Conditions Survey, 2013–2014: National Risk and Vulnerability Assessment*. Kabul.

^g World Bank. World Development Indicators <http://data.worldbank.org/data-catalog/world-development-indicators> (accessed on 30 April 2017).

^h World Bank. World Development Indicators. <http://data.worldbank.org/data-catalog/world-development-indicators> (accessed on 30 June 2016).

ⁱ International Labor Organization. 2011. *Study on the State of Employment in Afghanistan*. Kabul.