

## ENVIRONMENTAL AND SOCIAL SAFEGUARD STRATEGY

1. The proposed ensuing project for the Naulong Integrated Water Resources Development Project is in Jhal Magsi district in Balochistan province, Pakistan. The proposed ensuing project will introduce climate-resilient and reliable water resources management for the project area. It will support investments in resilient water resources infrastructure, and water resources and watershed management. It will develop beneficiaries' and relevant government agencies' skills through an inclusive and gender-sensitive social mobilization processes. More reliable water resources will enhance agriculture productivity and livelihood opportunities in the benefitted area.

2. The project includes construction of (i) a 57-meter-high zoned earth fill multipurpose dam on the Mula river, (ii) a 54-meter-high auxiliary dam, (iii) a gated spillway structure, and (iv) a tunnel. It also includes installation of two powerhouses and development of command area. The project will create a reservoir to store 298 million cubic meters of river flows, generate 26.6 gigawatt hours per year of hydro-energy, and increase irrigated area by 6,560 hectares (ha). Over 58,000 people will benefit from the project.

3. **Social Safeguards.** Involuntary resettlement safeguards are expected to be categorized as 'A', with significant involuntary physical and economic displacement. Initial assessments indicate that about 1,548 ha of private land will be acquired. About 31 households will be physically displaced, with preliminary assessment indicating 96 households being severely affected. There will also be significant environmental impacts as the scope of the proposed works is likely to pose major diverse and irreversible environmental and social impacts. These include water inundation, impacts on ecological flows, and downstream water availability.

4. The people of Balochistan generally base their identities on tribal, clan and sub-clan affiliations and loyalties to tribal chief, sardars, and clan chiefs. The major tribes of the area are Magsi, Lashari, Rind, Mengal, and Raisani. The latter three tribal groups have limited influence in local politics. The main source of their livelihood are agriculture, livestock, and some non-agricultural activities, including government employment. Literacy rates in the project area, especially for women are reported to be very low (only 36.8% of women are literate compared to national average literacy rate of 52.0%).<sup>1</sup> In prior and ongoing ADB-financed projects, it has been assessed that tribal people of Balochistan did not recognize themselves as indigenous peoples. The project readiness financing (PRF) will undertake an indigenous people assessment as part of project preparation to inform the appropriate indigenous people's categorization of the ensuing project. It will also consider associated measures and approaches to mitigate risks and enhance project benefits.<sup>2</sup> Depending on the outcome of the social assessment, an Indigenous Peoples Plan will be prepared, if required. This is in accordance with ADB's Safeguard Policy Statement (2009) requirements.

5. The project will require rigorous social assessment and consultation. The PRF will include a detailed social impact assessment to assess loss of land, changes, and disruptions to land use and benefit sharing arrangements. The PRF consultants will document the tribal social organization, land ownership, and distribution. They will also consider the local *merh* (tribal dispute resolution system) which makes decisions in case of any inter- and intra-tribal conflicts.

6. Other key aspects to be covered under the social impact assessment include an assessment of livelihoods and land tenure practices, stakeholder analysis, a conflict risk assessment along with mitigation approaches to identified risks. This is to be incorporated in the design and delivery of the ensuing project with the related actions to be presented in a standalone social action plan. A standalone stakeholder engagement plan (SEP) will also be prepared to

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<sup>1</sup> Government of Pakistan, Finance Division. 2022. [Pakistan Economic Survey 2021–2022](#).

<sup>2</sup> Based on previous assessments, it is understood that the tribal group populations of the area do not identify themselves as being members of a distinct indigenous cultural group.

cover the project preparation and ensuing project by the PRF consultants. The SEP will incorporate appropriate languages and modes of communication to address the needs of the various stakeholders, including women. Broad community support will be required for potential displaced families. It will also consider any complex social issues and conflicts in the area. This will be included in the stakeholder analysis and social action plan.

7. The PRF will finance updating and finalizing the safeguards documents. These were prepared by the Water and Power Development Authority's (WAPDA) consultants for the ensuing project between 2020-2022. The finalization of safeguard documents will be in accordance with the detailed engineering design. A Draft Land Acquisition and Resettlement Plan (LARP) was also prepared by the WAPDA's consultants. The LARP identified 96 affected households from a loss of 1,660 ha and displacement of 31 houses. During the PRF, the LARP will be updated utilizing new or supplementary surveys. It will identify affected persons and their losses. A socio-economic baseline will also be prepared. The LARP preparation will assess land tenure practices and actual land use to identify the full impact on livelihoods. It will undertake meaningful consultations and careful planning to ensure that impacts on livelihoods are fully restored. An assessment of replacement land will be undertaken as part of the LARP updating. Given the significance of the loss of productive land and the social context of the project, it is expected that an independent valuation study will be undertaken. This will inform compensation rates to ensure it is at replacement cost.

8. The government has established a central land acquisition, resettlement and environment unit that caters to the safeguard requirements of projects under WAPDA's power and water wings. The unit was trained under ADB-financed Technical Assistance 8309-PAK: Capacity Building for Enhanced Safeguards Management and later by the United States Agency for International Development. Additional capacity augmentation and safeguards refreshers and/or training will be provided for better management of the project's safeguard requirements and outreach. The PRF social safeguard consultants shall provide the required capacity building and training during the safeguards assessment and/or updating process and implementation.

9. **Environmental Safeguards.** The ensuing project is likely to be categorized A for environmental safeguards as it may have significant, unprecedented, and irreversible impacts. The WAPDA-engaged consultants prepared an Environmental Impact Assessment (EIA) study for Naulong Dam in June 2020. This was revised in March 2021. The EIA will be further strengthened and updated by the PRF environmental consultants. Separate environmental assessment studies for various project components, such as powerhouse, irrigation canals, roads, and transmission lines will be prepared and finalized by the PRF consultants. A terms of reference (TOR) scoping report will be prepared prior to updating and/or preparing the detailed EIA and Initial Environmental Examination (IEE) studies. This study will provide the methodology for any additional baseline surveys, impact assessment and other details. The baseline surveys including terrestrial and aquatic ecological surveys, will also be updated and/or prepared. The environmental-DNA (e-DNA) sampling will also be carried out as part of aquatic surveys. A detailed critical habitat assessment (as per International Finance Corporation Guidance Note 6) will be required.<sup>3</sup> This is to check if the project area can be considered as a critical habitat for any of the critically endangered species identified in the draft EIA study. Based on the assessment, a Biodiversity Action Plan and biodiversity monitoring plan may also need to be prepared.

10. Environmental flow (e-flow) assessment on water allocation, tradeoffs and conflict will also be undertaken as part of the EIAs and/or IEEs. This is with consideration for relevant water sharing agreements, water and other relevant policies, transboundary impacts, and water usage. E-flows need to be assessed and agreed upon by all relevant stakeholders at an early stage of project preparation. This is because e-flows will need to be incorporated into the water balance analysis and this may also impact the overall project economic analysis.

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<sup>3</sup> "International Finance Corporation. 2012 (updated 2019). [Guidance Note 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources](#).

11. An SEP will also be prepared as part of the EIAs and/or IEEs with robust stakeholders consultation. This will include community members: women and other vulnerable groups, government departments, nongovernment organizations, and water user associations. A detailed livelihood section will also be prepared in the EIAs and/or IEEs from information gathered during LARP preparation. For this purpose, the PRF consultants will closely liaise with the environment team and other consultants to obtain information about expected social impacts. They will jointly determine suitable mitigation measures for such impacts. During the PRF implementation, flexibility and interaction will be maintained for any additional work or changes required. The PRF would also include a component on reviewing the existing safeguards staff setup in WAPDA. It will provide suitable recommendations on safeguards staff recruitment during establishment of a project management unit. It will recommend necessary capacity building of the relevant staff on matters related to environmental safeguards.

12. Balochistan is a security sensitive area subject to security threats and alerts. Access to the project area and security are critical for PRF implementation. The required social, environmental, agriculture, water rights, and topographic surveys may not be possible without adequate security arrangements. The PRF and ensuing project cannot be effectively implemented without suitable access and security for relevant personnel. In coordination with the relevant provincial government departments, WAPDA-financed consultants have been able to access project sites. Close coordination of the district administration with the local population and, an adequate arrangement for enhancing the security of project staff and consultants will further strengthen the ease of movement. The project team will coordinate with WAPDA and monitor the security situation. This is to limit risks to personnel and enable movement for productive consultations and site activities.