

INITIAL POVERTY AND SOCIAL ANALYSIS

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| Country: | Pakistan | Project Title: | Khyber Pakhtunkhwa Water Resources Development Project |
| Lending/Financing Modality: | Project | Department/Division: | CWRD/CWER |

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

1. The impact of the proposed project is food security in Khyber Pakhtunkhwa Province (KPP) ensured for the decade 2010–2020. The outcome is agriculture production increased in project areas. The key outputs will be: (i) irrigation distribution systems (IDS) established or modernized covering Mulkoh IDS in Chitral, Tanda IDS in Kohat, and Pehur main canal IDS in Swabi; and (ii) water-use and farm-management capacities increased in project areas in Chitral, Kohat, and Swabi through command area developments (CADs). The proposed project, through irrigation supplies, will directly increase the food production and improve the income of over 300,000 rural people; mostly poor. Further, the irrigated agriculture will create better job opportunities for on-farm and off-farm labors in the project area. Therefore, the proposed project, through enhanced production and on-farm labor, will directly contribute to poverty reduction.

2. To achieve the goals of the government's poverty reduction program, the government and ADB have agreed on five priorities for the long-term. One of the five priorities is directly relevant to the project to achieve broad-based growth through increased agricultural productivity, and a diversified agriculture sector. The proposed project is in line with the Country Partnership Strategy (2015–2019) which includes irrigation as core subsector. It is also included in the Country Operations Business Plan (2017–2019).

B. Poverty Targeting

General Intervention

Geographic (TI-G)

Individual or Household (TI-H)

Non-Income MDGs (TI-M1, M2, etc.)

The project design includes supply irrigation water to 37,800 ha and on-farm agricultural and water management demonstrations. These interventions will boost the crop production and increase the demand for farm labors. It will also create jobs during project implementation. Majority of the farmers in the project area have small-holdings and are poor. Overall, the interventions are pro-poor and will greatly benefit the poor.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. About 68% of the rural population depends on agriculture, which employs over 46% of the labor force and accounts for more than 60% of Pakistan's foreign exchange earnings. About 80% of the population in KPP is dwelling in rural areas. About 36% of the labour force are engaged in the agriculture and livestock sector which provide livelihoods to 83% of the people living in the rural areas. Crops account for about 70% of agricultural production by value, with the most important crops being wheat, maize, and sugar cane, and play an important role in sustaining the living of the rural population. In KPP, while the total cultivable land is 2.62 million ha and cultivated area is 1.65 million ha, the irrigated area only amounts to about 0.92 million ha and about 15% is used for rain-fed crops and about 30% is fallow. This gives a tremendous pressure on available land resources.

2. Impact channels and expected systemic changes. Poverty is linked to deprivation from water in sufficient quantity and quality for irrigation uses. Deprivation from access to water for productive uses is a real obstacle that prevents poor people from fulfilling their basic income needs and escaping income poverty. Some regions, in particular, the three subproject areas in KPP face water stressed. In arid areas, people do not have stable water resources even for irrigation purpose.

3. Focus of (and resources allocated in) the TRTA or due diligence. Food security in Chitral is classified as "stressed" while Kohat and Swabi are classified as "minimal". About 37% in Chitral, 32% in Kohat, and 40% in Swabi of children under the age of five were underweight. The poverty in KPP and its rural poverty are more serious than the national level and KPP's urban poverty. Multidimensional poverty index in KPP in 2014-2015 was 49% higher than 39% in the country, and its poverty index in rural areas was 58% significantly higher than 10% in urban areas. The major causes of these high poverty levels are attributed to low level of agricultural yields and livestock productivity due to use of obsolete technology, drought, and small farming size due to limited cultivable land. The share of small size of farms (less than 1 ha) out of total number of farms in KPP accounted for 64% significantly higher than the national average of 44% in 2010. This trend is no exception in the three districts where target three subprojects are located. The share of small size of farms out of total number of farms accounted for 81% in Chitral, 54% in Kohat, and 63% in Swabi in 2010. The yields of maize and wheat, which are major crops are only 2.0 ton/ha and 1.8 ton/ha in KPP while 4.3 ton/ha for maize and 2.7 ton/ha for wheat are the national average in 2014-2015.

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? In all cases, women are prevented to participate in social activities by social and cultural constraints like *pardah* system and honor killing. These constraints also prevent women to get formal education and opportunities for social participations. These social circumstances raise a little awareness of the role and functions of water management; among men and women themselves. Although women are entitled to inherit land both under the Islamic and the Pakistani state laws, very few women have land registered in their names. Women land owners are not usually involved in making decisions concerning the use of their land, or in accessing revenues generated from their land. There are some female farmers, who have inherited land and are managing/cultivating land by themselves. However, their access to water is primarily mediated through male relatives and female farmers make use of the water rights of their husband or male relatives for obtaining access to water. User rights are an important issue. Access to water is closely linked to land rights, but rights to land do not necessarily guarantee easy access to water, which is governed by the location of the plots, social and cultural norms, and operational requirement in terms of timing and duration. Despite of women contribution to the agriculture sector and household food security, the key gender issue remains under reported. Women's contribution to agriculture activities has largely been acknowledged, but women have not benefited from improved access to extension services, technology, and new varieties.

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.

There is a need to promote women's participation in the planning and management of irrigation water use. Specific steps to enhance women's participation include: (i) conducting gender analyses to identify opportunities and constraints for women's participations in the community; (ii) building all women groups to encourage women's participations in social activities, especially water use planning.

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

Yes No Please explain

The proposed project is unlikely to have any negative impacts on women. Analyses for possibilities for gender equality will be crucial.

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. During the transaction technical assistance (TRTA), the consultant will identify how the main stakeholders will participate in the project design to improve living standards in the entire community. From the point of view of inclusive growth, the project focuses on poor and low/middle income households in agriculture sector. To promote redistribution in the community, consultants will analyze correlation between income levels and land areas in three steps: pre, in action and post surveys, and investigate how the project impacts on households' income by income/land area levels. Key initial stakeholders are: (i) farmers and their family members, who spend a lot of time and effort on delivering water and housework, and obtain irrigation water-use skills and irrigated agriculture practices; (ii) water user associations responsible for irrigation water-use in on-farm level will participate in preparing the design and construction of water courses in each subproject area.

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? Stakeholder workshops will be required to encourage: (i) farmers to form farmers' organizations responsible for irrigation water-use at on-farm level; (ii) farmers to participate in farmer field schools to obtain irrigation water-use skills and irrigation agriculture practices; (iii) farmers to participate in designing and constructing watercourses for taking irrigation water to their farmlands; and (iv) all women groups are built to promote women's participation in some social activities related to above. Those workshops should be ensured during the implementation of both the TRTA and the Project. Mainly KPP's Agriculture Department (KPAD) will play a key role to organize these workshops to ensure their participations.

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 (M) Consultation (M) Collaboration (L) Partnership (L)

Civil society organizations and relevant nongovernment organizations (NGOs) in the project area will be identified during the TRTA to engage them in stakeholders' workshops.

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| <p>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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>No issues are anticipated but a stakeholder analysis will identify the poor and exclude who should participate in and be involved in the process of the design during project preparation.</p> |
| IV. SOCIAL SAFEGUARDS |
| A. Involuntary Resettlement Category <input checked="" type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI |
| <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</p> <p>The proposed project will require land acquisition, because (i) in a subproject in Kohat it is proposed to raise an existing dam and increase its pond area, and (ii) new irrigation distribution system is planned in the another subproject areas in Chitral.</p> <p>2. What action plan is required to address involuntary resettlement as part of the TRTA or due diligence process?</p> <p><input checked="" type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None</p> |
| B. Indigenous Peoples Category <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI |
| <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</p> <p>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</p> <p>3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Although the existences of indigenous peoples in potential subproject areas are not reported, these will be confirmed and potential impacts to them will be carefully assessed during TRTA.</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the TRTA or due diligence process?</p> <p><input type="checkbox"/> Indigenous peoples plan <input checked="" type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Social Impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None</p> <p>Although the existences of indigenous peoples in potential subproject areas are not reported, the need of the Indigenous peoples plan is marked and it is subject to the assessment during TRTA.</p> |
| V. OTHER SOCIAL ISSUES AND RISKS |
| <p>1. What other social issues and risks should be considered in the project design?</p> <p><input checked="" type="checkbox"/> Creating decent jobs and employment <input checked="" type="checkbox"/> Adhering to core labor standards <input checked="" type="checkbox"/> Labor retrenchment <input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS <input type="checkbox"/> Increase in human trafficking <input checked="" 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 _____</p> <p>2. How are these additional social issues and risks going to be addressed in the project design?</p> <p>Unskilled construction workers for watercourses and irrigation water distribution systems will be mostly hired from local communities on short term basis. As a result of the increase of farm incomes, the increase of farmers' payment of <i>abiana</i> (i.e. water service fee) for irrigation for sustainable O&M is anticipated. The affordability of poor farmers on the increase of the fee and presence or absence of forced labor will be carefully reviewed during TRTA implementation. Additionally, efforts to mitigate feuds in the community like intra-tribal, villages, and families will be crucial for the project implementation.</p> |
| VI. TRTA OR DUE DILIGENCE RESOURCE REQUIREMENT |
| <p>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 (v) other social risks. Are the relevant specialists identified?</p> <p><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 TRTA or due diligence?</p> <p>The following specialists' inputs and associated cost will be allocated in TRTA to conduct necessary assessments: (i) institutional, (ii) environment, (iii) resettlement, (iv) social and gender, and (v) financial management. TRTA also include the cost to conduct workshops, stakeholder identification, consultation, and necessary surveys.</p> |